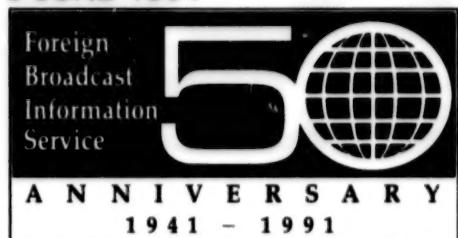


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INTERNATIONAL AFFAIRS

Macedonian Organization Condemns Serbian Actions

AU3005174891 Sofia BTA in English 1713 GMT
30 May 91

[“Serbia’s Communist Regime Wants To Swallow Macedonia”—BTA headline]

[Text] Sofia, May 30 (BTA)—Two thousand Serbian “revolutionists” are deployed underground in a number of towns in the Republic of Macedonia as part of the Serbian Communist Government’s preparations to annex Macedonia if Yugoslavia disintegrates. Mr. Dimitar Gotsev, leader of the influential Internal Macedonian Revolutionary Organization-Union of Macedonian Societies (IMRO-UMS) uniting 120 organizations of Macedonian Bulgarians in this country and dozens more around the world, told a press conference here today.

The world already knows that Serbian communism is the main destabilizing factor in the Balkans, he said. The IMRO-UMS leader welcomed the decision of the U.S. Government to cut off the aid for Yugoslavia. This is a natural and justified reaction to the brutal violence of Serbian communism, Mr. Gotsev said.

Years ago Tito established the Republic of Macedonia under the decision of the Comintern and with Stalin’s consent. Now Serbian Communists call it “south Serbia” and are about to annex it if Yugoslavia falls apart, he said. Mr. Gotsev accused the communist regime in Belgrade of “getting ready to crush with tanks the Republic of Macedonia’s right to self-determination and sovereignty.”

BULGARIA

National Protection Service Becomes Legal Body

AU3105083691 Sofia DUMA in Bulgarian 24 May 91 p 2

[Text] The National Service for Protection has been granted the status of a legal body by a government decree adopted yesterday. The service will be entitled to engage in economic activities on the basis of regulations and under conditions established by the minister of finance. The National Service for Protection will be in charge of providing personal bodyguards for the president, the chairman of the National Assembly, the prime minister, and the vice president. These are its functions, determined in the aforementioned decree. On the basis of contracts, the employees of the service will also be in charge of protecting leaders of political forces represented in parliament.

The service will also guarantee the personal protection of foreign delegations, heads of state, leaders of parliaments and governments who are visiting the country, as well as local high-ranking state functionaries and their families

in cases in which threats against their lives have been confirmed on the basis of specific facts and data.

The National Service of Protection will also be in charge of the funds for official missions abroad of the president, the prime minister, the parliament chairman, the vice president, the ministers, and other high-ranking officials.

Vodenicharov on Constitution, Ethnic Issue

AU2905160091 Sofia BTA in English 1449 GMT
29 May 91

[Text] Sofia, May 29 (BTA)—Today Mr. Rumen Vodenicharov, an independent MP, spoke on the draft for the new Constitution which the Grand National Assembly is discussing on first reading.

Mr. Vodenicharov, former chairman of the SDS [Union of Democratic Forces] Human Rights Society, emphasized that the new Constitution should provide for the passage and application of laws defending the Bulgarian nation as a single nation and the Bulgarian state as a single-nation state. A series of mistakes has led to the formation of a Christian and a Muslim community and the gap between these communities was not bridged even after November 10, 1989 when Todor Zhivkov was overthrown. Therefore, the cause for this division does not lie only in the totalitarian system but also in the consistently and deliberately pursued policies of our neighbours who exploited our pliancy and national nihilism to instill Turkish or Muslim self-awareness as well as a sense of shared national guilt, Mr. Vodenicharov said. There have been attempts to assimilate Bulgarian nationals within Bulgaria while at the same time driving Bulgarians away from regions populated with Muslims.

The year-long legal existence of the Movement for Rights and Freedoms (DPS) has shown all Bulgarians that this Muslim sociopolitical organization, as it is described in its statute, did not ease the tensions in the mixed-population regions and that it is working counter to the interests of the Bulgarian people. Mr. Vodenicharov pointed out. Therefore, the Constitutional Court that is to be established under the new Constitution should force the Prosecutor General to take legal action against the DPS on charges of illegal activities.

The Bulgarian nation is in danger, Mr. Vodenicharov believes. Political parties on religious or ethnic grounds should be banned. There is no place for the DPS and the Ilinden Organization in Bulgarian political life. They could exist as cultural or human rights organizations provided they do not pursue separatist goals. The use of the Bulgarian language should be not only a right but an obligation as well. The idea of introducing Turkish classes at Bulgarian schools even as an experiment amounts to treason, Mr. Vodenicharov said.

Goals of Reformers in BSP Analyzed

91B40485A Sofia DUMA in Bulgarian 1 Apr 91 p 2

[Article by Dora Chichkova: "Reformers in the BSP [Bulgarian Socialist Party] Are Converting From the Discussion of Ideas to Practical Policy"]

[Text] The Movement for Radical Change in the BSP [Bulgarian Socialist Party] will submit for discussion by the Higher Party Council its views on basic problems of the present and the future. The objective is to help shape a clear political policy of the BSP, mainly in the areas of economics, social protection, state and local administration, and the national problem. This resolution concluded the Third National Conference of the DRP [Movement for Radical Change], held in Plovdiv last Saturday.

In addition, active discussions on several other topics took place at the conference: guilt and responsibility, the need to clarify the ideological-political identity of the BSP, the condition of the socialist press, and the interaction among the various ideological trends with a social-democratic orientation.

The delegates also resolved to submit to the Grand National Assembly a request to impose a moratorium on renaming sites of national significance until a democratic procedure to this effect has been adopted. The reason for this was the presidential ukase, according to which Deveti Septemvri Square in Sofia is being given back one of its old names: Knyaz Aleksandur Batenberg Square. The suggestion is for the moratorium to be extended to the enactment of this ukase.

Where is Bulgaria going? These were the opening words at the conference by Yanaki Stoilov, chairman of the Movement for Radical Change Coordination Council. According to the speaker, at first glance, the answer "from totalitarianism to democracy" is unquestionable. However, is this the case? And to what extent is it true, considering the fact that state monopoly has been retained and there are no economically independent citizens? The danger of the preservation of the familiar administrative stereotypes behind a seeming democratization of the facade of state institutions is intensified by the painful ideologizing of society and the absence of a well-protected, left-wing social alternative, the speaker noted. At the present time and in his view, the role of the BSP should be, above all, to control the transition to a market economy and to a pluralistic democracy.

However, Valentin Vatsev and other members of the ASO [Alternative Socialist Association] find inappropriate the pitting of pragmatism against "unsupported statements"—that is, ideological fillings. Real policy also means ideology, Vatsev noted. The opposite would mean a struggle for power, regardless of objectives. The combination of policy and ideology, according to the chairman of the ASO, is also the real criterion of the social-democratization of the party.

Psychological warfare is being waged in society against the BSP, said Miroslav Popov, cochairman of the Road to Europe Movement. He considers the salvation of the party to reside in social and political pragmatism. At the same time, in his view, the great weakness of the BSP is that, for an entire year, it has been unable to explain to its members and its electorate its social-democratic concept of socialism. The drop in the party's rating is explained by Popov as the result of the social inefficiency of the BSP in parliament and in the executive branch and the national mass information media.

According to economist Dimitur Ivanov, the extensive manipulation of people who do not understand economics is taking place with the encouraged illusion of a successful start of the reform. It is difficult for the BSP to criticize the government because it was the BSP that delayed the reform; it is difficult for the SDS [Union of Democratic Forces] because the economic bloc is in its hands.

We should congratulate the Cabinet headed by Dimitur Popov for a relatively successful start to the reform, the way to which was outlined in the Lukyanov program, Dimitur Ivanov emphasized. However, only a few days after the liberalization of prices and day after day, the actions of the government turned chaotic. All the steps taken so far have been essentially correct and necessary. Their sequence, however, was wrong. This is my criticism of the still-not-submitted program by the government, Ivanov said.

The socialist ministers have their own views on the economic reform, said Aleksandur Tomov, one of the founders of the Demos Movement. However, as deputy chairman of the Council of Ministers, he stated that it is difficult to defend them, given the lack of a party line and coordination among the different party "components" such as the VPS [expansion unknown], the parliamentary group, and the reformist movements.

Aleksandur Tomov rejected the claim that two organizational-personality lines are struggling for power within the party's chairmanship. In his view, it is a question of two political lines: the line of real social-democratization and the line of compromise and waiting. According to Tomov, it is perhaps the first time in this past year that the party is catastrophically short of time. Its renovation will determine whether it will succeed in becoming part of a European left-wing political line.

Prof. Chavdar Kyuranov, deputy chairman of the VPS, was also critical of the activities of reformist movements. Your representatives in the party's leadership did not help in the adoption of the first variant of the declaration on the responsibility of the party that, more accurately put, dealt with the question of the actually existing doctrinal burden, he said. According to the speaker, the influence of reformist movements is declining also as a result of underestimating the question of elections and electoral results. They cannot be without significance under conditions in which two dangers—revenge and the

restoration of capitalism—are becoming increasingly clear, Kyuranov emphasized.

The view on the national problem expressed by Iskra Baeva and Stayko Trifonov emphasizes the need for a considered strategy for a national policy. In the course of its formulation, everyone should set aside political predilections and interests. These two historians believe that, in the new Constitution, the emphasis should be on the protection of individual rights and freedoms. However, the mechanism for the study of the native language should not lead to a national confrontation and to acknowledging the existence of national minorities in Bulgaria.

Parliamentary Official Discusses Personal Files

91B40536A Sofia TRUD in Bulgarian 29 Mar 91 pp 1-2

[Interview with Georgi Tambuev, chairman of the Investigation Commission, by Plamen Kamenov; place and date not given: "The War of the Files Is Coming Out of the Trenches"]

[Text] Georgi Tambuev, chairman of the Investigation Commission, has shared with TRUD his impressions concerning the commission's work. Beginning on 1 April—and this is not a joke—read on page 3 the series "KOMPROMAT: Hasty Notes on the Files of the People's Representatives."

I have known Tambuev for 12 years. He is a person who grows taller the more they try to cut him down. What you will be reading as of 1 April on page 3 in this newspaper is the latest proof of this feature of his character....

[Kamenov] Although this is unnecessary, let me nonetheless ask you: Why did you give us your latest "grenade"?

[Tambuev] I spent 14 years of my life at TRUD. Nowhere else have I worked for such a long period of time. It was in that newspaper that I published my strongest materials, those that triggered a public earthquake even during the totalitarian timelessness. Even then TRUD was a fighting newspaper. I do not know whether this was due to the editors in chief or the professionalism of the journalists, but there was an investigative principle at that newspaper. Merely recording things was not tolerated; the newspaper bored deep into the layers of life. The editors of TRUD created the so-called journalistic investigation in our press—but a real one! A number of such attempts and special sections appeared in our press, but, reading them, one could see that they were superficial. I have a number of reasons for giving this "KOMPROMAT" precisely to TRUD!

[Kamenov] When did you decide to write what you have now brought us?

[Tambuev] I have kept notes ever since the commission was formed. This is a habit of mine. It is quite interesting (and safe) to be the chairman of such an explosive commission.... When the latest refinements and combinations among political forces concerning the results of our work started, I decided that the time had come to systematize my notes and to publish them so that the public might understand the way this problem developed. This was done with a great deal of effort. Let me respond to the broad interest shown in this topic and answer the political forces that are almost on the verge of trying to make some kind of trade with the files—that is, to prevent the completion of this project, as was stipulated by the Grand National Assembly and, instead, to make political deals. Generally speaking, to protect whistle-blowers! I do not agree with this, not because I am chairman of the commission but because I am a citizen of this Republic.

[Kamenov] Is it possible for the parliament to vote such a thing? Personally, I do not believe so....

[Tambuev] Neither do I. I am relying heavily on the plenary session but...occasionally various procedural traps, tricks, and catches are introduced at such sessions. For example, toward the end of the session, when the deputies are already tired, or many of them have already left, there is a tendency to deal hastily with a problem. A motion has already been made: On the day that the addenda to the political agreement is discussed, only one member of each parliamentary group will take the floor. This is a preliminary attempt at preventing anyone who wishes to speak from doing so and from passing something in haste. This would put the commission in the face of a fait accompli, which will make completing its work impossible. That is why I am suggesting that the report of the investigation commission be read at an open session (and not, as had been decided by the VNS [Grand National Assembly], at a closed session), in the presence of the entire nation on radio and television! On the following day, a press conference should be held because any specific case of cooperating with State Security is quite specific: The list of agents we have at our disposal, if published in its entirety, as a list of names only, would be a major error. Some people were recruited in jails and camps, under very harsh circumstances, and it is entirely natural that a certain human tolerance be displayed toward such people. If you ask me, I am even ready to rehabilitate them entirely.

[Kamenov] There are also others....

[Tambuev] Yes. These people were recruited much later, when they had a choice, yet they specifically chose to become members of State Security. The agents constituted a very serious, iron-fisted organization, stricter even than the Communist Party! Some people who are now claiming not to have been party members were secret agents of State Security. Forgive me, but I put them on a much "higher" level than the organized communists.

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[Kamenov] Did the Investigation Commission on Files work only with sympathizers?

[Tambuev] Because it was a question of information that was extremely secret, the work was done by only the leadership: I, Rumen Danov, and Aleksandur Stamboliyski. We worked smoothly, without conflicts. Yes, there were discussions and differences, but that was natural. Party biases, however, had no influence because we were after facts and not after defining "colors."

[Kamenov] Actually, it was precisely you three who were the first to be checked for any "agency past."

[Tambuev] Yes. Those were the rules. That was fair. Can you imagine what would have happened otherwise?

[Kamenov] You once said that informers could have formed their own parliamentary group. It is clear that not one of you three would have been a member. What happens next?

[Tambuev] I am certain that, if the parliamentary session is held normally, without interference and without traps, the question of the files will be resolved properly. Let me say once again: I am quite embittered by the fact that the political forces, considering the number of commissions within the VNS, are dealing exclusively with ours. There are also other explosive commissions, such as the one on debts, naturally, if it were to dig deep and expose the facts as they are; or else the commission on the culpability for the economic and political crisis.... Not a word is being said about them. They may not even submit a report. I do not wish to insult my colleagues who belong to such commissions because they are doing their best, despite encountering tremendous difficulties. In all likelihood, they will wind up like many other commissions in our country, with no results....

[Kamenov] In the past, when you wrote your famous materials for TRUD, were you scared? You have never spoken about it. Are you scared now?

[Tambuev] Many people have tried to scare me. I fear nothing. When I defend a truth—and I believe that what I am defending today is a truth that the whole Bulgarian nation should know—I have nothing to fear. Even if something were to happen to me, what I am defending will nonetheless see the light of day.

[Kamenov] Are you not concerned that the materials at your disposal were given to you selectively? You yourself mentioned that the files of the Sixth Department of the Sixth Administration (internal communist reports) are missing. Are these the only missing files? Is it possible that a substantial number of State Security Agents will remain unexposed?

[Tambuev] It bothers me. It bothers me a great deal. Nevertheless, the resolution of the Grand National Assembly makes it incumbent upon the minister of internal affairs to be responsible for the authenticity of everything the commission has received.

[Kamenov] The point is that it hardly is *everything*....

[Tambuev] I was the first to raise the question of the files of the Sixth Department, on 4 December 1990. We applied great pressure. We asked Minister Danov: How is it possible for the files to vanish? Who issued this order, and who carried it out? We wanted to have exact knowledge about whether some deputies had been secret members of that department. The brief answer we received was the following: "The Information and Archives Service of the MVR [Ministry of Internal Affairs] has no data showing that some VNS deputies were secret members of the Sixth Department of the former Sixth Administration of State Security. According to the approved methodology of action of said department, it had an independent information-referential facility and archives. For that reason, we are unable to give you information on those individuals or concerning secret members of the Sixth Department."

[Kamenov] Did the MVR answer the other questions?

[Tambuev] No. Obviously, all of this is the work of the Prosecutor's Office of the Armed Forces. This is not the obligation of the Investigation Commission on Files. Must we, because of disappeared files of that department, block the work of the commission? Should this take place, we would find ourselves having been manipulated by the Sixth Administration! On the contrary—we must complete our work with the existing files and seriously raise the question of the criminal liability of those who imagined that they could outsmart history! I am virtually certain that this "case" involves a very responsible factor belonging to the higher BCP [Bulgarian Communist Party] *nomenklatura*. I expect that, with the help of the competent authorities, this person will emerge from hiding.

[Kamenov] Let us hope so! Justice demands that everyone, absolutely everyone, assume responsibility for his actions....

CZECHOSLOVAKIA**VPN Rejects Slovak Parliament Reshuffle**

*LD2005173491 Prague CTK in English 1607 GMT
 20 May 91*

[Text] Bratislava May 20 (CTK)—A new demand for a reshuffle in the Slovak parliament presidium is expected to be raised at the 14th session of the Slovak parliament which starts Tuesday. Chairman of the Coordinating Committee of the Public Against Violence [VPN] Juraj Flamik said at a regular briefing here today.

Some deputies suggested the reconstruction at the last session but the Slovak parliament rejected it.

Flamik said the VPN attitude is clear. It is undesirable to weaken the unity of the Slovak parliament presidium as the collective head of the Slovak Republic at a time of important talks with the Czech side. Flamik noted that

the Defense and Security Committee of the Slovak National Council continues investigation of the situation at the Slovak Interior Ministry following November 1989.

Meciar's Unhindered Access to Documents Questioned

AU2105092891

[Editorial Report] Prague LIDOVE NOVINY in Czech on 15 May on page 1, under the headline "Meciar gate?," publishes a 400-word commentary on a recent speech [8 May] by Vladimir Meciar at a press conference of the Movement for Democratic Slovakia. According to the author, Tomas Pudil, "Meciar allegedly had a file in front of him on the table, which he consulted to make certain about the agent's number." As Pudil says, his concern is not "why Meciar, an opponent of screening, suddenly comes up with this revelation," or its veracity, but the fact that "the former prime minister completely openly operates with materials, that he gained access to as a government official, which obviously do not belong to him, and which he actually misappropriated from a government institution! The journalists look on, and, at most, discuss the content of those materials. Moreover, the prosecutor does not summon Mr. Meciar and order him to hand in all these documents to the court for a proper evaluation, nor does he order a dispossession thereof. Nothing happens." Pudil's conclusion is summed up in the saying he quotes: "A layman is astonished, an expert surprised."

POLAND

Chances for Mazowiecki-Walesa Alliance Debated

91EP04584 Warsaw SPOTKANIE in Polish No 11,
27 Mar 91 p 41

[From the "Opinions" column: "Today, Tomorrow, or Never?"]

[Text]

Is an Alliance of the Mazowiecki and Walesa Camps Possible and Necessary?

1. Piotr Nowina-Konopka, Secretary-General of the Democratic Union

Poland needs sensible cooperation between those political powers that are striving to create a democratic, independent state that neighbors will not consider exotic. I would not overestimate personal conflicts. I think that even if conflict does arise between them, responsible politicians will manage to rise above the conflicts and serve the country together. This is the reason that cooperation is possible between the camp that won the presidential elections and the Tadeusz Mazowiecki camp.

I speak of the camps, not of direct cooperation between Mazowiecki and Walesa, because that is secondary. This was the reason for the difficulty in establishing mutual contact during their talks after Christmas. Mazowiecki proposed talks between the two camps, but Walesa said that there was no camp on his side. I believe Mazowiecki correctly understood this to be an attempt to incline him to return to the fold.

Of course, cooperation is possible under certain conditions. First, the past should be renovated in some way to filter out the demagogery calculated to gain votes in the presidential campaign from what is genuine political though.

The second condition is to clarify the political scene, as will happen during the parliamentary elections. Then it will be possible to talk about some sort of relationship between the parliamentary representation of the two camps. Thus it will perhaps even become possible to put some sort of coalition together, although for the present this possibility still seems doubtful because it is totally unclear as to who actually sits in the Belvedere [presidential] camp.

No narrow political camp can cope with the challenges that Poland faces. Any further transformation of the country has been placed in doubt, because a clear discrepancy has occurred between what was promised by the politicians who came to power and what they actually have to offer to society. We must remember that the whole program that Tadeusz Mazowiecki and his government carried out would be unthinkable had he not had the support of a broad public consensus. The most important task now is to build up that consensus. Otherwise, it would be difficult to imagine any sort of sensible program. The only possible alternative is a dictatorship, but I do not think that this is an idea that can succeed in Poland.

2. Zdzislaw Najder, Chairman of the National Citizens Committee

I don't think this is possible. Proponents of the former administration are very insulted and bristling over what happened, while the presidential camp thinks that an alliance with the Democratic Union would detract from the impetus of acceleration plans. I think that in psychological terms, both sides are too far apart, and they both sense this. An alliance would be necessary after parliamentary elections, but it is not necessary during the election campaign, because it would obscure the possibility of choice. Prior to the elections, there is no sense talking about a coalition, because even if the programs have similarities, for example, similar slogans concerning building state structures, one side had the opportunity to do this and, in our opinion, largely wasted it. The other side has not had such opportunities yet.

There are also considerable differences in evaluating the gains of the past year, the possibilities that existed, and the prospects for the future. Tadeusz Mazowiecki says that the main error of the Bielecki government is the fact

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that it does not admit continuing the policy of the previous group, but the side supporting the new government claims that its chief error is actually that it is continuing on the same path, and that for the time being there is not much real innovation. We are thus dealing with a great disparity of diagnosis.

We believe that Mazowiecki's government was an ahistorical government, because it did not notice the historical moment in which it was governing, and so it wasted a year when it had a perfect opportunity for moving us ahead and for better safeguarding national interests. At the moment, owing to economic instability and the instability of the USSR, we have a smaller field in which to maneuver.

As for the need for an alliance in the face of threats from postcommunist forces and people like Tyminski, I don't believe them to be very threatening. I see Tyminski's electorate mainly in negative terms, in the sense that he bridged a gap that had occurred as a result of conflicts between the two Solidarity camps. Mazowiecki's camp dislodged some of Walesa's advocates, but he did not admit them to his own camp. This group of voters remained on the sidelines and felt neglected. I do not see this group as an independent political force, but there is the danger that strong opposition will emerge on economic grounds, unless the government makes a great effort to gain public approval of the reform policy, but that is a somewhat different matter.

3. Marcin Krol, Editor in Chief of the Monthly RES PUBLICA

Of course we need a general alliance among all reasonable forces in Poland, because, in times of crisis and the actual state of emergency in which we find ourselves, a relentless political struggle should not be waged. On the other hand, I am pessimistic over the possible formation of any such alliance. This is the result of the fact that from the moment the "war at the top" began, no effort was made to place it within the framework of subjects to be dealt with. In this connection, it did not turn into a real political battle in the sense of a struggle between programs but remained a purely personal battle. This can be seen, for example, in Prime Minister Bielecki's Sejm address, in which he never stated clearly that this government was continuing the policies of the Mazowiecki group, although it obviously is. Once we pare away the radical elements, the viewpoints held by people from the Center Accord, the Congress of Liberals, and the Democratic Union are nearly identical, but this fact has not been revealed in any political way. Attempts are still being made to turn political differences into personal conflicts. The resentment against Bronislaw Geremek over his Sejm commission's protracted work on the election regulations is an example. The accusations here are purely political. This often happens on both sides. I see little possibility of an alliance, because of the political struggle in Poland that is unfortunately being waged around little tables.

I think that it is too late to turn the situation around, because of the obvious stylistic differences in the approach to politics. Mazowiecki's camp committed various errors, but there is one it did not commit: It did not look for easy arguments, financial arguments, e.g. the excess wage tax, and the like. It is worth noting that the Democratic Union did not take up the matter of the excess wage tax against the government as the Center Accord, Christian Democrats, and the so-called democratic left, for example, did. This difference in the levels being addressed is not a political difference in terms of views, but a difference in willingness to take up the struggle at a given level.

Lithuanian Poles Hold News Conference in Warsaw

*LD1705100391 Warsaw PAP in English 2143 GMT
16 May 91*

[Press conference by Lithuanian parliamentary members Ryszard Maciejkianiec and Zbigniew in Warsaw on 16 May]

[Text] Warsaw, May 16—We wait for a clear position of the parliament and the Polish government backing the activities of the Polish minority in Lithuania to obtain certain autonomy, MP's [members of parliament] from the Polish faction in the Lithuanian parliament Ryszard Maciejkianiec and Zbigniew Balcewicz told a press conference here today.

The MP's said that Poles living in Lithuania found themselves at the cross-roads and started to organize various groupings. Only the centre one, in contrast to the pro-Moscow and pro-Lithuanian ones, really solicits for the rights of the Polish minority.

This minority has been treated unfavourably by Lithuanian officials and Poland remains silent on the issue, the MP's complained and warned that Lithuanian Poles could become something like a scapegoat in the game between Lithuania and the Soviet Union.

The MP's called on the Polish government to establish promptly state relations with Lithuania and on Lithuania to secure full rights to the Polish minority.

A part of the Polish minority in the Vilnius region of Lithuania is said to be pressing for the creation of a Polish Soviet republic which would remain within the Soviet Union after Lithuania secedes, unofficial sources claimed today.

A meeting is reported to have been held a few days ago in Moscow between Rafik Nishanov, leader of the Council of Nationalities of the Supreme Soviet of the USSR, and Lithuanian-based supporters of continued union with Moscow, including communists from the Polish minority.

According to the "Soviet Lithuania" radio station, Polish delegates at the meeting canvassed support for the

establishment of a Polish Soviet republic based in the Vilnius region, which would remain in the Soviet Union. Nishanov is said to have reacted positively to the proposal, and to have urged the Poles to present the Lithuanians with a fait accompli.

Polish deputies in the Lithuanian parliament reacted sceptically to the report, and saw it as another attempt to provoke a worsening of relations between the Poles in Lithuania, and the Lithuanian majority population.

Krakow CSCE Meeting To Include Lithuania

*LD2105205591 Warsaw PAP in English 1612 GMT
21 May 91*

[Text] Warsaw, May 21—Lithuania will be invited to the CSCE symposium on cultural heritage as a guest of the Polish delegation but it will have no right to vote because it is neither a sovereign state nor a CSCE member, newsmen were told at a press conference held here in advance of a CSCE international symposium on cultural heritage, due to start in Krakow next week.

Two other Baltic republics, Latvia and Estonia, either, do not want to come to the symposium as part of a Soviet delegation, but they have not applied formally in this matter yet.

So far 280 representatives of states and organizations confirmed their participation in the Krakow symposium. All in all, 34 states—CSCE signatories of the Helsinki Final Act, will be represented, as well as Albania (as an observer) and also representatives of the Council of Europe and UNESCO.

The Krakow meeting will be a political event whose main aim is to adopt a final declaration, one of the first integrational documents of Europe based on new principles. This document is expected to become a political platform for future international laws on the protection of Europe's cultural heritage.

Polish Culture Minister Marek Rostworowski recently signed an agreement on establishing an international cultural center in Krakow, to be opened during the CSCE symposium. The centre will organise work ensuing from the final declaration, including international cooperation, scientific research on the protection of historical monuments, and international cultural festivals. It will also popularize knowledge about Polish culture in the world.

Senate Speaker Cables Lithuania on Ethnic Poles

*LD2105210191 Warsaw PAP in English 1744 GMT
21 May 91*

[Text] Warsaw, May 21—In a dispatch to Vytautas Landsbergis, chairman of the Supreme Council of the Republic of Lithuania, Speaker of the Polish Senate Andrzej Stelmachowski has drawn attention to the unease of ethnic Poles in Lithuania fearing unfavourable changes to administrative boundaries in the republic.

Stelmachowski expressed the hope that a decision would be reached to satisfy the interests of both Poles living in Lithuania, and of the Lithuanian majority. It was essential for both nations, he said.

Stelmachowski called for a solution to the aspirations of national minorities in Europe according to the framework established by the Copenhagen Declaration of the CSCE.

Ryszard Reiff, chairman of the senatorial Commission for Poles Living Outside Poland, wrote in similar terms to the Lithuanian leader. He stated that the concentration of Poles living in the republic ought to take advantage of the existing territorial structures, which would allow them to elect freely their representatives to local government posts.

Reiff continued: Only then would Lithuania's Polish minority be in a position to protect its own traditions, customs, and language. Any changes to the administrative boundaries would be seen by the Polish minority in Lithuania as a threat to their ethnic identity, he wrote.

Resurrection of Polish Community in Russia

Ethnic Consciousness Grows

*91EP0461A Warsaw SPOTKANIA in Polish No 11,
27 Mar 91 pp 16-18*

[Article by Jan Rozdzynski: "Poles in the East: The Awakening"]

[Text] In May of this year, a congress of the representatives of Polish communities in the Russian Republic will be held in Moscow which is expected to bring about the formation of the Union of Poles in Russia.

For a long time to come, the basic task of such an organization will be to rebuild the ethnic consciousness of people whose fathers and grandfathers were told to forget about being Polish. They were deprived of contact with their native culture, tongue, and religion in a premeditated and frequently brutal manner. This is why at present they know nothing or virtually nothing about themselves, despite the fact that they populate the land from Smolensk to Kamchatka, and from Murmansk to the Baykal. Only as late as November of last year, the Cultural Association Polish House was registered in Moscow with the right to operate in the entire republic after many months of exertions and efforts.

Halina Subotowicz-Romanow, a cochairperson of the association, told a SPOTKANIA correspondent: "They tried to hinder us every step of the way. Conservative newspapers and radio broadcasts accused us of creating 'an extremist organization'; they tried to create some other groups compromising the Polish movement with the quiet sponsorship of the authorities. However, we succeeded in bringing about the official dissolution of these groups. At present, the group already numbers 300 adult members in Moscow, and new members are still

being added, though they still have difficulty believing that 'it is already possible.' We build on the best traditions of the movement of Poles in Russia."

The oldest segment of the Polish community, which has existed in the East for many generations, consists of the descendants of those exiled under the tsars. Next to them come those whose centuries-old abodes ended up being beyond the eastern border of the Second Republic. Next to them are Poles who in the 1940's survived deportations to the inner areas of the USSR and were forced to change their citizenship, as well as frequently "persuaded" to renounce their ethnicity. Perhaps, it is precisely these people and their descendants that form the largest segment of the Polish community in the USSR, and therefore in Russia. There is also a small group of fellow countrymen who found their way there of their own volition: the descendants of migrant workers from the beginning of the century, as well as a segment of Polish Communist emigres whom Stalin did not manage to annihilate.

The first Polish House [Dom Polski] in the Tsarist empire was founded in 1900 in Odessa, and subsequently they were set up in Kharkov, Harbin, and Moscow. The statement that the association "strives to unite the Polish middle class" was found in the statute of the Polish House in Moscow in 1906. At present, engineers, physicians, architects, translators, teachers, journalists, and lawyers, in a word, representatives of communities which were harder to Russify than, for example, kolkhoz [collective farm] members and residents of small localities, and who were more resistant to the enthusiastic creation of "the Soviet people," also account for a majority of members not only in the capital of the USSR, but also in numerous chapters.

The "house" which was set up, or more precisely restored, several months ago is a house only in a name because there are no permanent premises where its members can meet. This is how it is different from the Polish House early in this century which had a two-story building built with Polish money on Milyutinskiy Lane (at present Marchlewski Street). The building housed a library, the Lutnia Association, the Gymnastics Association Sokol, a scout organization, an alumni society, and the Circle of Housewives. The Peter and Paul Church (which had published parish yearbooks in Polish since 1851) was nearby, as well as two Polish secondary schools for men and women, and the editorial office of the Polish KWARTALNIK PEDAGOGICZNY. For more than 50 years now, all of these institutions and organizations have been defunct, and until recently nobody knew anything about them officially.

Perhaps this is the reason why the Moscow apartment of Halina (a professional translator) and her husband Piotr, a historian-scientist, is the real headquarters for the association. The family association archives may only be seen on rare occasions when someone does not drop in with some business, when the telephone does not ring, and nobody comes in with the press run of yet another

issue of a newsletter run off "on occasion." Numerous documents and photographs include both old ones and the most recent; one of them depicts Halina together with other Polish activists in the USSR at a Papal audience last year.

It follows precisely from the documents kept by Piotr that all facilities that were once Polish on Marchlewski Street are illegally occupied by the City Committee for Physical Education and Sports and the Mining Equipment Institute. Moreover, rayon authorities, which are mum about the documented repossession claims made by Polish House, have rented several units to the Italian furrier company Fata in recent weeks.

Piotr said: "We have been taking legal steps in this matter all the time. For example, we indicated that during the liquidation of Polish House and upon the arrest of a majority of its activists in November 1937 by the NKVD [People's Commissariat of Internal Affairs], assets of the house were stolen. We have sought the return of the building and the assets, but so far in vain."

Prospects for repossessing the building of the Church of Immaculate Conception of the Holy Virgin on Malaya Gruzinskaya Street, in the vicinity of the Embassy of the Republic of Poland, are somewhat better.

A beautiful neo-Gothic place of worship built in 1911 (at a cost of 500,000 golden rubles collected by Poles in Russia and 50,000 rubles donated by a Warsaw parish) after the pattern of Westminster Abbey, it was open until 1931. At first, the authorities at the time fenced off the compound and took away the presbytery building. Later, the last priest was thrown out of the church, and the parish was liquidated. Until the end of the 1930's, the building housed a student dormitory and a workers boarding house. At the beginning of the German-Soviet war (in 1941), a tall tower of the church was shortened by 18 meters "in order to not give the German air force and artillery a point of reference." At that time, the building, which had already been badly damaged, became a cable and construction material warehouse. This has been the case until now, but some of the building is now occupied by the design offices of Spetsstroymontazh.

Piotr said: "Something in the nature of real estate records does not exist in the USSR. However, from a legal point of view the issue of the church is being decided as we wish. By the end of 1990, the Committee for Religious Denominations of the Supreme Soviet of Russia communicated its decision to the Moscow City Soviet concerning the need to register a Polish parish (with the deadline of 25 January) and a decision to hand over the church to the local Poles. However, Mayor of Moscow Gavril Popov did not even deign to respond. At the last moment, city officials informed us that the departments for religious denominations in the city and rayon authorities had just been abolished, and that until this issue is resolved they would not be able to register our parish for the time being."

Despite being a lay organization, Polish House arranged in December to have a mass celebrated...on the steps of the cable warehouse, against the backdrop of all kinds of metal and stored equipment. Father Tadeusz Pikuś, the chaplain of the employees of the Monuments Restoration Enterprise which is restoring some old structures in Moscow, who came from Poland, celebrated the first mass in this place of worship in 60 years on an improvised altar made with boards. Shortly after the mass, the approximately 500 participants in the mass heard from the lips of a representative of the rayon authorities that "who knows, perhaps the building will be sold to them for \$10 million."

Halina shrugged her shoulders: "Luckily, we did not take it seriously. On behalf of the House, I approached the highest ranking persons in the parliament of Russia. It helped. Recently, I was given assurance that the Moscow authorities will give the church to us."

Lack of money is a problem which all Polish associations in Russia and the entire USSR are experiencing. In Moscow and in the other chapters of the House, the initiation fee amounts to five rubles, and annual dues to 10 rubles (the lowest retirement benefit amounts to 60 rubles monthly; a kilogram of beef in the market costs 30 rubles; in the shops, even consumer staples on rations are not available). This is why every donor counts; the House subsequently publishes personalized thanks to the donors in its bulletin. Money and gifts from the country and from Polish communities in the West are beginning to arrive slowly: textbooks to study Polish, books, some press, packages with foodstuffs and clothing. The embassy and general consul of the Republic of Poland are helping. Polish children take part in camps organized in Poland. Last year, the Polish community prepared the first course for about a dozen or so future managers—Poles from Russia, Lithuania, the Ukraine, and Belorussia.

However, much more money is needed in order to organize language instruction, start new, or restart old, libraries, operate Polish choirs and musical groups, and pay for legal work (the association in Moscow had to pay 1,000 rubles for the permit to publish *GAZETA POLSKA* alone).

Piotr said: "We are aware that the country is not in a position to help us too much; we must help ourselves. We are preparing to engage in gainful activities. Public organizations in the USSR are forbidden to manufacture anything or trade in any items. However, we can sell information. We want to start a Polish-Soviet marketing company, engage in consulting, and so on. We must make money because the Union of Poles in Russia which will be formed (all heads of Polish House chapters from other cities have agreed on this) cannot take off without funds."

[Box, p 16]

The Soviet census of the population in 1989 determined that about 1,130,000 citizens of Polish descent live in the USSR. Russia, which has fewer than 100,000, ranks

fourth after Belorussia (418,000), Lithuania (258,000), and the Ukraine (219,000). Fewer than 7,000 residents of Moscow have Polish ethnic backgrounds entered in their documents, despite the fact that actually about 20,000 Poles live there. Perhaps, all official data should be multiplied by a factor of three.

[Box, p 16]

According to research done by Dr. Władysław Masiarz from Krakow, about 30,000 Poles populate Siberia, out of whom in:

- Irkutsk—3,118
- Altay Kray—1,000
- Novosibirsk—1,436
- Maritime Kray—1,089
- Kemerovo—2,243
- Khabarovsk Kray—1,611
- Omsk—2,625
- Amur Oblast—1,797
- Tomsk—1,792
- Kamchatka—471
- Chita—646
- Magadan Oblast—922
- Yakutsk—894
- Sakhalin (island)—827
- Tyumen—over 6,000
- Buryatia—425
- Tuva—74

However, in the opinion of the author, the actual number of residents of Polish descent in these areas is certainly five times higher.

Polish Press Listed

91EP0461B Warsaw SPOTKANIA in Polish No 11.
27 Mar 91 pp 16-18

[Article by Henryk Galat: "The Polish Press in the USSR"]

[Text] Eight Polish newspapers and magazines with a total circulation of 139,000 are published in the USSR, out of which five are in the Republic of Lithuania, two in Belorussia, and one in the Ukraine. With the exception of one title, all of them were started within the last 16 months.

KURIER WILENSKI has been published since 1 July 1953 in Vilnius; along with the London NOWY DZIENNIK, it is one of the two Polish dailies in Europe published outside of the Republic of Poland. Until 8 February 1990, it was published under the title CZERWONY SZTANDAR and was the organ of the Communist Party of Lithuania. However, information concerning Poles in Lithuania and in other republics was slipped into its pages. At present, it is a sociopolitical

daily of the Supreme Council and the Council of Ministers of Lithuania. Zbigniew Balcewicz, a deputy proclaiming his sympathy for the Sajudis, is its editor in chief. The circulation is 56,000; size—four to eight pages.

NASZA GAZETA is a newsbulletin of the Union of Poles in Lithuania which has been published since 22 October 1989 in Vilnius; a biweekly with four pages; circulation 10,000; editor Artur Plokszto.

ZNAD WILII is a sociocultural biweekly published in Vilnius since 24 December 1989 by attorney Czeslaw Okinczyc, a deputy of the Supreme Council of the Republic of Lithuania associated with the Sajudis. Journalist and poet Romuald Mieczkowski is editor in chief; since August 1988 he has been the anchor of the Polish information and essay program "Panorama of the Week," on Lithuanian Television. The magazine resolutely comes out in favor of cooperation between the Poles and the Lithuanians. Eight pages, circulation 12,000.

MAGAZYN WILENSKI is a sociopolitical and cultural-literary illustrated biweekly published in Vilnius since 1 January 1990. It strives to advocate the interests of the Poles in Lithuania and cover the issues of fellow Poles in other republics; 32 pages, on eight of which the Bible for the Young is printed in color, in installments, among other things. Circulation 42,000; editor in chief Michal Mackiewicz.

GAZETA HARCERSKA is a monthly of the Polish Scout Union which has been growing in Lithuania for a year now. Four pages, circulation 1,000. Editor in chief Walery Tankiewicz, chairman of the Provisional Board of the Polish Scout Union.

GLOS ZNAD NIEMNA—a biweekly of the Union of Poles in Belorussia, published since 1 July 1990, in Grodno. Twelve pages; circulation 8,000. Preference is given to articles about Polish education, national tradition, and the church. Executive editor Eugeniusz Skrobacki.

ZIEMIA LIDZKA—magazine of the Lida chapter of the Union of Poles in Belorussia published since 1 January 1991. Its title is derived from that of a monthly published in 1936 through 1939; eight pages, circulation 5,000.

GAZETA LWOWSKA—periodical of the Association of Polish Culture of the Land of Lwow intended for Poles in all of the Ukraine. Published since 24 December 1990; eight pages, circulation about 5,000. Professor Dr. Leszek Mazepa, founder of the Association of Polish Culture of the Land of Lwow, writes for it.

In addition, four Polish-language periodicals (PRZY-JAZN, PRZYKAZANIA LENINA, GALWE, and SZALCZA), which are the translations of Lithuanian rayon newspapers published in Lithuanian and Russian.

Internal Affairs Minister on Role of Police

PM2305135191 Szczecin GLOS SZCZECINSKI
in Polish 11-12 May 91 pp 1, 3

[Interview with Henryk Majewski, minister of internal affairs, by correspondent Bohdan Onichimowski; place and date not given]

[Text] [Onichimowski] Statistics paint a tragic picture. This year in Szczecin Voivodship alone the number of homicide cases will reach again the record level registered at the beginning of the 1950's. What happened to bring about this state of affairs?

[Majewski] I must immediately add here one qualification; the overwhelming majority of such cases involve alcohol abuse.

[Onichimowski] You are oversimplifying the interpretation of the problem. After all, alcohol consumption has not increased correspondingly....

[Majewski] Certainly the present moral and psychological condition of society is influenced by the social, political, and economic situation. There is a definite level of psychological tension present, and when we add to it the influence of alcohol, moral inhibitions break down, with tragic consequences.

[Onichimowski] We know that the sector which you are heading still suffers from the lack of an adequate level of equipment, but at the same time it seems to me that you are consumed with just a single obsession—to restyle police uniforms.

[Majewski] Not at all. I am not involved in the question of remodeling the police uniforms, and certainly the latter could never compete with the need to provide better technical equipment. Of course, I would like to see the changes which have already taken place in our sector, and which are still taking place, to be also adequately reflected in the style of police uniform, the marking of police vehicles, and so on, but all this would require access to budgetary resources which are simply not there at the moment.

[Onichimowski] In his interview for GLOS SZCZECINSKI, Minister Kolodziejczyk said that he was awaiting a serious debate on the subject of our country's defense capacity. Do you not think that a similar debate is also vitally necessary in the internal affairs sector?

[Majewski] Please note that we have just initiated precisely such a debate. We travel extensively up and down the country visiting our local structures, we hold talks, we listen to all commentaries. At the same time we concentrate on organizing a wide range of conferences, including international meetings, to discuss the question of national security. However, I believe that during the election campaign we should not engage too deeply in a political debate, because we could destroy that which we are just beginning to successfully restore.

[Onichimowski] You mentioned the parliamentary election. In connection with this it has been suggested that your sector disclose information on your own agents, if any, who will be nominated as candidates in the election.

[Majewski] I would like to stress most emphatically that we will not expose any of the so-called secret collaborators. This sort of thing is not done anywhere in the world. Documentation on secret agent networks is the most classified information of all in all countries. Just try to imagine the chances of cooperation between the police and the intelligence and counterintelligence services in a situation where people collaborating with them are given no guarantees of top secrecy. After all, in this way we would be cutting off the branch on which we are sitting.

[Onichimowski] Well, what about the case of Mr. Zacharski, director of the Pewex chain, who is reputedly a KGB agent?

[Majewski] Mr. Zacharski operated in the United States for the Polish intelligence service with considerable success—so much so that the FBI described him as one of the more outstanding intelligence agents they managed to expose. After Zacharski was publicly accused of working for the KGB, we carried out a thorough investigation at the archives at the Internal Affairs Ministry and the State Protection Office, but we did not come across any evidence that would corroborate this thesis.

[Onichimowski] Minister, if the antiabortion bill is approved in parliament you will suddenly face the problem of having to prosecute some 200,000 crimes a year—crimes which hitherto were not prosecuted by the police, and I doubt whether you can prosecute them....

[Majewski] I believe this should be the justice minister's concern. As you know, the police should not be involved if a given case shows no distinct hallmark of a crime. If the bill is passed by parliament, then the ways in which it will operate and the possible mechanics of engaging the police in ensuring that the relevant law is observed will probably have to be developed in our daily practice by life itself.

[Onichimowski] For several months now policemen have complained of a shortage of on-the-spot fine collection forms to be used in traffic offense cases.

[Majewski] True, such a difficulty has indeed arisen. My ministry has already allocated 6 billion zlotys [Z] to print the forms. They are practically ready to be used now, but we cannot reach an agreement with the finance minister about how to balance the books in the case of the revenues which will be collected in the shape of these fines. We believe that the bookkeeping for the fine revenues should be the domain of the treasury chambers, whereas the finance minister wants to entrust this task to us. Unfortunately, discussions have been going on for three months now and we still have no clearly formulated official instruction on the matter. But I believe that in the near future this stalemate will be eventually

resolved. It could even be done by the prime minister by means of a special decision.

Since we are discussing this matter, let me also add that it is not always effective to punish this type of offense with a fine. I believe that the traffic police have a wider scope here for influencing drivers if they admonish, advise, or instruct them rather than make them pay fines. In this way they can also win the drivers' goodwill rather than antagonize them.

[Onichimowski] What is your vision of the police system?

[Majewski] It is composed of three elements: good pay for police officers; modern technical equipment and backup facilities; and social support and approval. We are now halfway through negotiations concerning a new bill on retired officers' pensions, which should retain the present privileges for the services subordinate to the sector. I expect that we should be able to bring pay levels up to December 1990 levels within the second half of the year (relative to the average pay). At the same time I note with satisfaction that, according to opinion poll results, public confidence in the police force has increased recently.

[Onichimowski] You failed to mention the technical equipment and facilities....

[Majewski] This is because we are still short of money. Our approved budget is only 50 percent of the figure we have asked for—and it is really only a subsistence budget. However, I believe that goodwill on the part of parliamentary deputies, self-government activists, and many other figures can bring fruit in the form of public sponsorship of the police force. Such sponsorship is already being put into practice in a number of places in Poland. The only reservation is that the sponsorship should not be direct; it would be best if the money could be pooled in some type of public funds, which could be set up by self-government structures.

[Onichimowski] To conclude, would you please tell us: What really is the truth about the alleged KGB recruitment?

[Majewski] It so happened, for historical reasons, that for decades there was a rather close cooperation between the KGB and our own corresponding services and for this reason the former did not need to recruit our civilian citizens. Also today—and I say this with full responsibility for my words—we do not know of any instances of Polish citizens being recruited by the KGB.

Labor Minister on Welfare Policy Compromises

4U2205140691 Warsaw ZYCIE WARSZAWY in Polish
16 May 91 pp 1, 4

[Interview with Michal Boni, minister of labor and welfare policy, by Małgorzata Pokojska; place and date not given: "A Time of Compromise"]

[Excerpts] [Pokojska] This year, like last year, has seen real incomes fall and unemployment increase by seven percent. The general feeling is that the situation is deteriorating, although it is true to say that now nobody has to queue for milk.

[Boni] We are in a transition period. We have to strike some sort of balance between a tough economic policy, whose ultimate aim is to prepare our economic recovery, and an acceptable welfare security program. Obviously, welfare policy can only be a factor of the financial state of the country and that is why today it is inevitably a compromise between expectations and reality.

[Pokojska] What percentage of the population is living below the poverty line?

[Boni] The danger area starts below the 600,000 zlotys [Z] monthly income. In the Z400,000-600,000 monthly income band there are about 5.9 million people. Within this total there are about 900,000 pensioners. In the Z400,000 and lower monthly income group, we find 1.8 million people. There are 200,000 pensioners in this group. [passage omitted]

[Pokojska] How does the state intend to reach the most needy sector of our population?

[Boni] Given the conditions of poverty and economic crisis, the state's welfare policy has to provide a minimum level of protection for the poorest. We must remember, however, that all the population is in some respect or other under the umbrella of the state's welfare policy. For example, we have to protect the workers who must be remunerated according to the economic performance at the workplace. Another form of labor protection is to set a basic wage at a realistic minimum level, separate it from other service considerations, and guarantee the payment of performance bonuses according to the labor code, even if the enterprise itself is threatened with insolvency. We have many cases where the employer is delaying such payments and is even forcing employees to accept vacations. At best, such enforced vacations are only partially paid.

[Pokojska] Over a million people are now on unemployment welfare, although no enterprise has as yet collapsed. What will happen when enterprises start collapsing?

[Boni] I believe that we need certain legislative changes. Our welfare system is not watertight, for example, people who are involved in the black economy are also trying to claim welfare, so are some street traders, and various young people. [passage omitted]

[Pokojska] What is the main obstacle to the implementation of a national social policy?

[Boni] The fundamental difficulty is to prioritize needs that can be concentrated upon, given our limited resources. The transition period is also a period of compromises. Choices have to be made at a time of general insecurity. This is reflected in the so-called

inflation mentality, namely, a fear of inflationary price spirals, especially food prices. The prices of electricity, gas, and housing are being constantly increased. These increases provoke protests and require negotiations. Everyone is crying out for help. Recently, there has been the fear that medicinal drugs would become too expensive. Cheap medicines were a privilege for both the well off and the poor and we now have to think about limiting this privilege, but who likes giving up a privilege? [passage omitted]

[Pokojska] Economists are not sure whether we can afford to continue to subsidize our exports to the USSR. Economic reasoning seems to be in conflict with the demands of our social welfare policy.

[Boni] Economic reasoning is not the sole threat to our welfare policy requirements. In our poor transition period, our parliament is considering adopting legislation that is more appropriate for a wealthy, stable, and well organized country. I agree that we have to do this, but at the same time we must set a more realistic time scale for the implementation of this sort of legislation in order to have the appropriate means needed to break out of old habits. I do not want to give the impression that welfare aid is under threat from lack of resources. The help is still flowing, but with the proviso that welfare aid is no longer available to everyone, but only to the people who most need it. [passage omitted]

Radio, TV Opinion Poll Views Social Moods

LD2105205991 Warsaw PAP in English 1455 GMT
21 May 91

[Text] Warsaw, May 21—Asked about social moods among Poles, 54 per cent of those polled by the Public Opinion Polling Center at the Polish Radio and Television [OBOP] termed them as rather bad, while another 26 percent as bad or very bad. Only 14 percent assessed the moods as rather good, which means a 10 percent drop in such opinions since last month. Despite general pessimism, one percent of the polled said moods were very good.

Twenty-five percent, or 18 percent less than in April, said that the situation in Poland was developing in a right direction, while 29 percent, or 20 percent more than last April, were of the opposite opinion.

Only 26 percent (39 percent last month) said they expected the improvement of living standards during the next three years, while the number of those who expect its deterioration went up from 23 percent in April to 36 percent this month.

Asked about their confidence in the main institutions of public life, the respondents mentioned: Army—69 percent (74 percent in April); Catholic Church—59 percent (69 percent last month); Police—58 percent (6 percent less than in April); and president—49 percent (10 percent less than in April). Premier [Prime Minister] Jan Krzysztof Bielecki also lost his popularity and the

number of those assessing him as a good premier dropped from 58 percent last month to 48 percent in May.

ROMANIA

1990 Presidential Candidates on Current Issues

AU2105135691 Bucharest ROMPRES in English
1232 GMT 21 May 91

[Text] Bucharest, ROMPRES, 21/5/1991—In its 21 May issue, newspaper CURIERUL NATIONAL prints interviews with three candidates who ran for presidency in last year's 20 May elections.

Ion Iliescu, candidate of the National Salvation Front, who became president after a landslide victory, says that in the year that passed "substantial progress was made and the Romanian society of today changed considerably." "The affirmations that nothing changed and that the old structures are still operating in Romania are completely groundless. It is a fundamental difference between the present and past situation, regarding the structures in institutions and especially the citizens' rights and freedoms, the freedom of speech, of demonstration, of movement, of organization etc." Ion Iliescu stated. "The most difficult process is that of economic restructuring, which is reflected in social life, in the people's standards of living. That is the most difficult and complex process, a generator of difficulties in itself."

On price liberalization, the highly important and most discussed issue of today's Romania, Ion Iliescu said: "it was not an option of the power, but an objective need, imposed by life itself. It was not linked to a rash, arbitrary decision. It was imposed by the really difficult economic situation." In his opinion the sole key to the problem is production recovery.

On the political or any other kind of conditioning set on Romania by some European organizations and by other states, Ion Iliescu wonders if that is a democratic way of treating a state and a people that made their decisive option and are striving for the society's renewal. In his opinion the sole examiner is the Romanian people, and if true relations of democracy among states are promoted, then the people's option must be considered.

Radu Campeanu, a candidate himself for the presidency representing the National Liberal Party, finds the present government guilty of the country's situation "because it knows better that the present formation is politically as well as economically discredited in the West." He also said that "only a national unity government, with a neutral independent prime minister" could lead Romania to hopes, because only a joint effort could make Romania overcome the present situation. "A joint effort, of influential people with tighter relations abroad is needed."

Ion Ratiu, candidate for presidency representing the Christian-Democratic National Peasant Party in last

year's elections, is of the opinion that only by changing the government could Romania overcome its poverty, because "the present government did not know how to administer the country." Showing his party's points of view on the problems confronting Romania today, Ion Ratiu said that every condition did exist for overcoming the present situation. "We, the opposition, do not have the possibility to make a substantial change in the governmental programme. Our motions were always rejected. That is why the other democratic way—non-violent street demonstration—is so frequent," said Ion Ratiu.

Civic Alliance's Political Future Viewed

91BA06194 Bucharest "22" in Romanian 19 Apr 91 p 2

[Article by Alina Mungiu: "Civic Alliance on the Launching Pad"]

[Text] Precisely at a time when insistent rumors—especially following the Timisoara conference—are calling attention to an imminent transformation of the Civic Alliance into a political party, extremely credible Alliance leaders like Mihai Sora and Ana Blandiana are explicitly denying it. In Timisoara, on the other hand, there is talk of separating a group out of the Alliance to become a political party, while the Civic Alliance would stay the same. In an interview for the magazine EXPRES Gabriel Andreescu specified that such a decision can be taken only by a national conference. Notwithstanding the well-defined position of the Alliance leaders and branches, like at the November conference the belief is probably that unity in ambiguity can produce more success than unity in clarity. Possibly. For that reason we will not discuss what the Civic Alliance leaders are declaring individually, only the arguments for and against transforming the Civic Alliance into a party, arguments that exist independently of them.

Let us begin by pointing out what the Civic Alliance has been in the few months since its establishment. As can be easily noted, it is not easy to be precise on this matter, because the Civic Alliance is a rather original group. What is certain is that it has been the generic name under which the opposition forces manifested themselves whenever they wanted to do so. However, aside from those manifestations, which mainly took the form of popular demonstrations, it is still difficult to state whether the Civic Alliance behaved like a party or like a civic forum. Branches were organized on the pattern of a party, but those branches are mostly made up of members of other parties. In fact, the organization of branches in major cities was the first and only action of most of our political parties. These branches have not succeeded, nor did they try very hard to become genuine centers of dissemination of information in their respective areas, but functioned only as receivers for the centers, or as end stations along the information relay line. Consequently, while it is an elementary fact that the first step in the organization of a political party is to set up branches, it is a mistake to view that as anything but

a preliminary step before other steps, before steps designed to differentiate the Civic Alliance from the large number of parties existing in our country. Another element of similarity between the Civic Alliance and a political party is the program formulated in December. Without offering a real alternative—because it is too general for that—the program far exceeds that of a civic group; on the other hand, it contains far too few proposals for concrete civic actions, which in fact have not been carried out to date since its establishment. The outcome is a group that is more of a party than anything else, without too clear an economic platform (in Timisoara it is said that the Civic Alliance does have an economic alternative, but there was no confirmation of that from the center), without a pedagogical mass program even for the distant future, an ally that the traditional parties often find alarming.

Although the Civic Alliance continues to be different things to different people, this group is very necessary, as necessary as it was when it was founded, when the need was so great that it forced it to emerge in this rather informal shape, which to this day has not managed to clearly outline itself. Why is this so-called civic group so necessary in a country in which political struggle is permitted and political pluralism already has one and a half years of experience? Because a recent IRSOP poll shows that the Front remains the most popular party in the country in spite of having lost 35 percentage points, and that the PNL [National Liberal Party], the main opposition party, has also lost in popularity. What is currently needed is a strong and credible party with a coherent program, capable of taking the other parties under its wing at the next elections. Such a group must be strong enough for the other parties not to be able to avoid allying themselves with it for fear of losing their support. In the meantime it has become clear that the opposition will unite only out of fear. (After the meeting of the Antitotalitarian Forum the leaders of the main opposition parties issued a communique which convinced us that each of them continued to stick by his position.) From this viewpoint it is good for the traditional parties to constantly feel under light but firm pressure from the Civic Alliance.

If the Civic Alliance were to become a party, what kind of party would it be? Let us not forget that its alliances do not really match each other. The Alfa Trade Union Cartel and its economic adviser, Cojocaru, lean toward the social-democratic left. The PNT-cd [National Peasant Christian Democratic Party] and the PNL cannot be anything but right wing, and there is no point in their being anything else—possibly neoliberal. Are these positions reconcilable? And what economic program will the Alliance adopt, the social-democratic, the liberal, or something in between?

The Alliance's main argument is obviously not an economic one. It is a psychological argument. People on the outside do not understand why the Alliance is not becoming a party, but its 13 percent popularity level is due precisely to the fact that it is not a party. By

becoming one it would have to be subjected to comparison with the FSN [National Salvation Front] which in the beginning was as ambiguous. Would such a comparison be fatal to its electoral chances? Or on the contrary, would the naive mechanism that operated in the case of the FSN work in this case, too?

By submitting independent candidates on a joint list with the Convention for Democracy, will the Civic Alliance succeed in winning the vote of people who would have voted for the opposition anyway? The GDS [Group for Social Dialogue] elector's experience is rather important. People liked listening to the intellectuals, but they still voted for Ratiu and Campeanu because they seemed to be professionals. The need for the pragmatic remains great; the electorate felt cheated once and it will probably vote for a program rather than a person. Which is good from the viewpoint of electorate maturity, but alarming if we consider how much the opposition has prepared for the next local elections.

Of course, the Civic Alliance has far greater goals than a few seats in the next Parliament. But while winning a few seats seems feasible, the other objectives seem more abstract than ever. No one becomes what he wants to become, but rather what he was really meant to become. From this viewpoint, circumstances will shape the Civic Alliance. But will the Civic Alliance shape the circumstances?

Civic Alliance Official Grants Interview

AU2105111591 Budapest NEPSZABADSAG
in Hungarian 15 May 91 p 7

[Interview with Romanian writer Mihai Sora, member of the leadership of the Civic Alliance, by Peter Mag in Bucharest; date not given: "Our Alliance Wants Democracy, Not Power"—first paragraph is NEPSZABADSAG introduction]

[Excerpts] The Civic Alliance made its debut in Romanian political life in November 1990. This movement received a baptism of fire during the large-scale mass demonstrations in Bucharest in December, when several hundred thousand people gathered in the streets and squares of Bucharest. The leadership of the Civic Alliance included well-known personalities like the civil rights fighter Doina Cornea; Gabriel Andreescu, the physicist who courageously opposed the former dictatorship; poet Ana Blandiana; Smaranda Enache, a determined believer in Romanian-Hungarian understanding and cooperation; Petre Mihai Bacanu, one of the leading journalists of the major opposition daily ROMANIA LIBERA, who was imprisoned in the Ceausescu era; as well as other outstanding intellectuals and civil rights fighters like Stelian Tanase, Radu Filipescu, George Serban, Nicolae Manolescu and Mihai Sora, writer, university professor, and former education minister. Our correspondent in Bucharest asked Professor Sora to describe the Civic Alliance movement to our readers.

[Mag] Mr. Sora! What is the Civic Alliance?

[Sora] It is a movement aimed at representing the Romanian civic society. I say civic society although I know that this is only emerging now. However, the Civic Alliance must find the best means of operating successfully in all its aspects and in all its manifestations. Its basic aim is to guarantee all individual and collective human rights, and it felt the need to play a catalytic role for the democratic parties that are also following the same goals but have not yet succeeded in achieving them. These democratic parties are essentially opposition parties in today's Romania. However, the Civic Alliance does not regard itself as an opposition movement; it considers itself as such only in connection with the hidden Communist trends prevailing in the current government. Irrespective of the type of political structure in power, the Civic Alliance will always regard itself as a critical observer of the prevailing power, from the viewpoint of the public interest as a whole.

Consequently, the Civic Alliance is open to everyone who agrees with its program. [passage omitted]

[Mag] What kinds of public activity does your Alliance engage in?

[Sora] We only believe in nonviolent forms of activity.

[Mag] In spite of this, the governing power keeps accusing your movement of wanting "to destabilize the political structure that emerged in the wake of last year's elections" and of relying "on the pressure of the streets."

[Sora] In reality, the issue is not the destabilization of "elected structures." The issue is that the Civic Alliance consistently strives to eliminate fully the remnants of the Communist structures. Besides, this goal is formally in harmony with the declared goal of the government. However, the government is content merely to declare this goal and, in reality, does everything in its power to preserve the old structure. Thus, the activity of the Civic Alliance can be regarded as a destabilizing one only in connection with the old Communist structures. [passage omitted]

[Mag] Depending on how you count it, at least 15-25 percent of Romania's population is made up of ethnic and national minorities. What is the position of the Civic Alliance on this issue?

[Sora] The position is very clear as long as we are dealing with verbal declarations. Moreover, I could even say that this position is in harmony with the older positions because, in fact, Ceausescu also declared full rights for the national minorities. However, in reality, he did nothing else altogether, just like the "Stalinist" constitution promising all the rights on paper to the peoples of the Soviet Union in 1936, while Russification continued unabated. The fact that ours is not only a formal approach to the issue of equal rights makes our Alliance differ from everything else and especially from the current policy regarding the national minorities. The Civic Alliance advocates the inalienable right of every ethnic minority to its own cultural identity, including the

use of its own mother tongue. However, this identity can only be preserved if the necessary institutional infrastructure is available. We must create all the conditions that enable all the ethnic minorities to preserve and promote their cultural and linguistic identity.

[Mag] Let me ask you a more personal question now. You were also a member of the parliamentary committee in charge of investigating the bloody events that took place in Marosvasarhely [Tirgu Mures] in March 1990. As far as I know, you also signed this committee's report. Therefore, you must have an opinion about it.

[Sora] Naturally, I have an opinion about it, although I must say that I only participated in the activity of that investigation committee for four days, at a time when the committee was led by Gelu Voican-Voiculescu. Our job at the time was to bring the representatives of the two conflicting ethnic communities, the Romanians and the Hungarians, to the negotiating table, and we succeeded in doing this. The events of those four days are correctly included in the report, as well as the precedents I knew about personally. As education minister at the time, I know that some measures were taken haphazardly and without adequate tact. The whole period was indeed extremely chaotic from the perspective of coordinating local actions. However, the real problems emerged in connection with the events described: Who had an interest in doing it, and why were the events manipulated? I cannot answer this question, a rather important question politically, because the investigating committee did not study this aspect at all. [passage omitted]

Scathing Attack on Agrarian Democratic Party

91B406234 Bucharest DREPTATEA in Romanian
20 Apr 91 p 3

[Article by Dan Coste: "How the Democratic Agrarian Party Was Founded"]

[Text] As we promised, after a succinct presentation of the crimes and moral profile of Deputy Victor Surdu (see article "Who Is It Who Loves Victor Surdu Up There?"), we will now dwell on how his party got on its feet and began to spread in cities and villages.

After securing the position of deputy minister of agriculture as one of the original emanations of the revolution, the great former politician and idolater of the Communist Party was determined to bring back to the agenda his long dreamed for prerogatives. Since he failed to infiltrate (or implant himself) too deeply in the new FSN [National Salvation Front] current, or perhaps because he was not offered a position worthy of his not at all modest aspirations since he was no longer sponsored by a guardian angel, the above mentioned, who was accused of manslaughter due to negligence, who was implicated in scams of various sizes, decided to found his own party. The problem was, where to get members? The "genius" lightbulb went on and an idea sparked: in cities and villages. The roads are paved with innocents, and

especially with opportunists and communists, must have muttered in his beard the guardian angel's favorite. No later said than done!

While other parties were conducting electoral and propaganda campaigns with a view to counteracting the new communism, the PDAR [Democratic Agrarian Party of Romania] leader began a campaign to recruit...no, wrong guess. Not members, but future leaders. Starting with the center, i.e., the Ministry of Agriculture, underlings were "helped" to understand, through advice and recommendations, the need to support the so-called agrarian policy, but especially the emanation leader. The payoff? Staying in the posts they had before the Revolution where applicable, and winning managerial positions in the case of opportunists. The phenomenon spread through all the branches subordinate to the Ministry until it got down to the plowmen: "You want land? You vote for us and we give it to you. You don't vote, you don't get!" And this is how enough regional leaders were found, deputy chairmen and secretaries, who wielded abuses and moral fraud to arrogate merits they did not possess and who steered the electorate's choices with false promises. The job was not too difficult, because aside from their party positions they also held ministerial "portfolios." Of course, all that was possible under the lenient eyes of the guardian angel who, as a matter of fact, knew who the new personalities were.

Last year while on a trip to Cluj I was curious to talk with the director general of the General Directorate for Agriculture and Food Industry (DGATA). I found the office went in, but when I looked around I thought I was at the wrong address. Although it was the end of summer, the building looked more like a PDAR headquarters during an electoral campaign than a county directorate. Mr. Surdu's discreet smile was still displayed on all the walls and the daily bread was placed above and below mobilizing inscriptions and recommendations "guiding" to the right path—the PDAR! The walls of Cluj were promising prosperity.

The director general put me off to the next day. Unfortunately, at the time he set for the interview I could not find him, but I got in touch with his deputy: "Wouldn't you rather talk to Mr. Lungu? He is very familiar with all the issues in which you are interested." I would, especially after the argument: "You know, Mr. Lungu is the PDAR leader, too..."

Back in Bucharest I carefully observed Mr. Surdu, how beautifully he could express himself in Parliament when he was in the country. In time, however, the political situation acquired thundering tones and the communist "dissident" began to outline his position. A student of the concepts so significantly expressed by N. Labis, "Those who don't burn as ardently as we do will disintegrate in our flames," Mr. Surdu became incandescent. I swear he had no holier target-desideratum than defending President Iliescu's communist interests. His true colors began to show and the anonymity became a thing of the past.

At the point of which we are talking, God was expected to smile upon the Agrarian Party and recognize its services. The fact that this did not happen—in the meantime the guardian angel had been assigned a job in Heaven—serves to once again demonstrate that even communists with a human face do not have a God. That generated a whole state of confusion which reverberated all the way to remote Iasi.

Although along with the PRNR [Party of National Reconstruction of Romania] the PDAR played the part of a genuine FSN wing, it is now at a critical stage, having to feel its way between two distortions of the truth and three faint promises. It has lost its way in an indecent cosmos. The only thing that still keeps it alive is lies and legerdemain. Whenever something good is done, the PDAR claims the credit to itself among those who still have a crumb of faith in it. And when mistakes are made—for which opportunities are not scarce—the blame is placed on anyone, beginning with Mr. Roman and his team.

Not having anyone left to gravitate around, even the agrarian Parliament members are confused. This conclusion was confirmed at the Tuesday, 16 April session of the Assembly of Deputies when I heard a democrat-agrarian deputy speak, it made me laugh and it made me sad at one and the same time: Oh, God, is this who is representing the country's interests! I prayed to the Lord above and to the Free Romanian Television to let the entire country see what I saw. Despite my sins my prayer was heard, but I don't know by which of the two powers. Thus, the public was able to note the position of the PDAR deputy who, while preaching for a presidential republic, was contradicting himself and he himself seemed surprised by what was coming out of his mouth—who, as a matter of fact, enjoys parliamentary immunity. He was like a bad music student who had to play on sight a score that he could not have understood even after 10 sessions. That almost nothing could be understood after the poor microphones were released was still bearable, but the fact that people laughed, whether quietly or outright, that was something else.... I think that a real communist, meaning a communist boss, would never have tolerated such a thing. This blunder caused the agrarian wing of the FSN to once again look like fools.... Once the majority will realize that that was not an isolated occurrence and once they look the truth in the face, they will toss the lie into the garbage pile of history and then this satellite will cease to exist, too, much to our relief.

Monarch 'Supreme Guarantor' of National Unity

91B406204 Bucharest ROMANIA LIBERA
in Romanian 25 Apr 91 p. 6

[Article by Nicolae Balota: "Why the King?"]

[Text] In present day Romania the restoration of the monarchy is a historic obligation incumbent on both the king and the Romanian people.

Forced to abdicate in conditions that brutally violated the law of the state by a communist regime imposed from outside and thus illegitimately installed in Romania, King Michael I has the moral duty to return to the fatherland and to assume his constitutional duties to the people.

Deprived for over four decades of their last legitimate sovereign, the Romanian people are dutybound to resume this contractual link that was broken neither by the nation nor by the king, but by the ephemeral rulers that imposed their tyrannical regime.

Restoring the basic pact between Romania's citizens and their sovereign is a historical necessity that is vital in the difficult circumstances we are experiencing.

Why do we need the king and request his return, thus demanding the restoration of the monarchy?

First and foremost, because the king represents the last legitimate supreme authority of the Romanian state. The return of the monarch means a return to legitimacy after 43 years of usurpation of the supreme power.

The Revolution of December 1989 ousted the last usurping tyrant. However, taking advantage of the temporary vacuum of a supreme power in Romania, elements belonging to the same old party and state apparatus that brought the country to ruin attached themselves to the Revolution like parasites, arrogated its merits, and imposed themselves as an apparently democratic authority. Claiming to be an "emanation" of the Revolution, seeking legitimacy by every possible means, and having managed to deceive the trust of many citizens hoping for "peace and security," the new regime demonstrated, less than one year since its installation, that it was only continuing the policy of the previous regime in its essential lines. Thus, although it claims to be "democratic," the current Romanian regime cannot allow either the practice of separation of powers in the state, or the free exercise of democratic pluralism. In order to hold and stay in power, the current supreme authority in Romania used and continues to use the methods and tools of any totalitarian police state manipulation of public opinion, slander, diversion, intimidation, and brutal intervention against the opposition (in which respect it even showed innovation when it sicced some groups against their conationalists).

As the successor of an illegitimate totalitarian regime, the current Romanian government does not enjoy either the legal legitimacy of transmitted authority or moral legitimacy. And when it claims a legitimacy based on the results of election held amid complete lack of political preparedness, we must remind it that one of the bloodiest totalitarian regimes in history, Nazism, initially came to power by the vote of the German electorate. Just like Hitler's nefarious regime, whose measures of racial persecution immediately lost it its illusory electoral legitimacy, the present power in Romania lost its electoral credit and its moral authority by using violence.

As long as a country does not enjoy a legitimate government it cannot hope to enjoy genuine social peace. Whatever our political convictions, we must all admit that the Romanian society has in the past few decades suffered so many traumas and is so deeply wounded that the healing, the reconciliation among the inhabitants, as well as our own reconciliation with ourselves, and the achievement of a state of calm in order and prosperity that denotes social peace, are possible only by using a sovereign remedy. The monarchy, the fundamental institution on the basis of which modern Romania was built, is the guarantee for such a peace.

Indeed, the constitutional monarch is and must be above everything that divides us, above all the grounds of our enmity. In a democratic and pluralist state he stands above and outside the political struggle among parties. Not representing any party, group of interests, or clan, his role is that of an arbiter watching over the maintenance of the major balance between state and society.

Standing above individual or group interests like a haven of quietude, the monarch can control unruly appetites for power, and eliminate the inevitable conflicts that exist in a republic among pretenders to the supreme power. It was for a good reason that Romania's founding fathers chose a foreigner to rule over all the passions and vendettas existing among native groups.

Only an impartial sovereign can be the supreme guarantor of national unity. The king will never incite one class or social category against another. He will never use the old method of the totalitarian powers, that of dividing the people in order to rule over them. Romania's king was never contested by any national minority precisely because he viewed all the country's citizens as equals in rights and duties. He never used and will never use the kind of ethnic, religious, or political diversions that usurpers mostly use. As a defender of the national integrity, the monarch is a symbol of unity.

Symbols have their own power. Only such a unifying symbol can constitute a shield, primarily a moral shield, against those enemies of the people who decades ago installed themselves at the helm of the country and steered it into the chasm.

Only the constitutional sovereign of a truly democratic and pluralistic country can restore to Romania its lost international credit, shriveled away by the arbitrary policy of dishonesty and incompetence of all the rulers that succeeded each other in this country ever since the communists came to power, and to this day, Romania needs to be rehabilitated in the eyes of the world public opinion, to regain the political, economic, and last but not least, the moral international trust destroyed by the communist and neocommunist administration of the country.

The supreme value of the monarchy is of a moral order, as has been proven by the existing European monarchies. As we know, a king rules, he does not govern. This kind

of rule, however, shows itself vitally important, especially during the moments of crisis that a country or a people may experience. In our days, the king of Spain several times rescued his country's young democracy. He presides over the difficult process of transition from totalitarianism to democracy. We are in need of such a sovereign, particularly the present present difficulties threats, shortages, and various and sundry hardships.

He exists, even though many—too many—Romanians do not know him. He is a man hardened by suffering just like the people to whom he belongs. Anyone who, like him, had to endure injustice can well understand the need for justice of his Romanian brothers! He is a just and profoundly honest man who, without enjoying the privileges of a caste (since the privileged among the communists had robbed him of everything!), worked—not at an easy job—to earn a livelihood for himself and his family. As a good family father, and helped by an equally industrious wife, he raised a beautiful and close family. Like a father we need at every age, he would take equal good care of the sons of his people! This man, who is our king, is no longer young, but he has the wisdom of experience, and besides, he is surrounded by youth, just as I am convinced he will be surrounded by young people when he returns among his own.

He is Michael I, the great-grandson of the great King Carol I, the founder of modern Romania, and the grandson of King Ferdinand, who achieved the country's unity.

Why the king? Because he is the last and only legitimate sovereign of Romania, because only he can ensure social peace in our country, because he is the supreme arbiter and guarantor of our national unity, because he is the symbol of sovereignty of a free and independent state and because only through him can we win back the trust of all the nations and the credit of every state in the world. And we want this particular king because his entire life proves that he possesses the sovereign moral virtues that we all need.

Minister Stanculescu on Current State of Industry

1U2105174391 Bucharest ROMPRES in English
1807 GMT 21 May 91

[Text] Bucharest, ROMPRES, 21.5.1991—"I think that the survival of industry cannot be conceived without the mining, drilling and power sectors," stated Romanian Minister of Industry Victor Stanculescu in an interview with the daily "ADEVARUL." In his opinion most apt to survive the crisis are the steel industry if it revamps its technologies and grows the ratio of alloy and high alloy steels, and the cement industry that will keep up its high production level well beyond the year 2000—even if apparently it is power consuming.

Romanian industry can derive its force only from an elastic and modern machine-building industry, from a re-designed and modernized light industry, from the once successful electrical engineering and electronic

industries, but never without an infusion of foreign capital. I do believe, said Minister Stanculescu, in the future of the Romanian aviation industry. And I also think that a tourist industry, shaped to European standards, could soon bring us the much wanted annual billions of dollars, while a food industry tailored to the Dutch pattern could round up the image of a Romanian industry in the next few years. I am optimistic about the prospects of Romanian industry.

In reply to another question, Mr. Stanculescu said: "Our resources are meager, much below what we used to have two years ago. Export has shrunk to a third and we have practically no currency reserves left for import. Totally unbalanced, our industry looks now like a perfect piece of Swiss cheese, because of the severe shortage of materials. Therefore, the chronic deficiency of material and foreign currency reserves is the first vicious circle of our present helplessness. This is where the greatest danger lies and it is also here that we should look for the prime cause of the one-third drop in the productive potential."

YUGOSLAVIA

Austrian Crisis Solution Proposal Scored

91B40749B Zagreb VJESNIK in Serbo-Croatian
21 May 91 p 3

[Article by Stjepo Martinovic: "Breakdown of SFRY Presidency, Ultimatumlike Challenge to International Political Public: Fruits of Ignorance"—first paragraph is VJESNIK introduction]

[Text] While the time for foreign intervention in order to prevent a bloody continuation of the current political drama is quickly running out, the Yugoslav diplomatic service is accusing Vienna of planning to rob Belgrade of its reputation as the headquarters of the nonaligned movement.⁽¹⁾

The greater Serbian theater of the absurd, with which the federal Presidency was definitively split into a four-member presidency of a "tripartite Serbia" allied with the second apple of its eye, and a group of four former members who have left their seats, perhaps for good, appears to have finally and formally provided Yugoslavia with the attribute that has long since held in practice—the number-one European problem. Specifically, the international community is finally beginning to concern itself with Yugoslav entropy as the source of a genuine threat to its stability and economic interests. This is reflected in the ultimatumlike apprehension from the Mock [Austrian minister of foreign affairs] initiative in the announcement by the European Parliament, in the chilly assessments by the EC on Milosevic's sellout of a "unified Yugoslavia," and even in the statement by the State Department which scarcely disguises the fact that even America realizes that two worlds united in the Yugoslav region through an historic blunder, cannot survive like Siamese twins when their essentially different and irreconcilable organisms reject each other.

Moreover, it is irrelevant that Washington is still unwilling to acknowledge that it has been tricked by Milosevic's promises concerning a "green light" to Stipe Mesic, while there are no more specific difficulties or "clarifications" by Ambassador Zimmermann about the fact that America is for a "unified and democratic Yugoslavia" because it thinks that the disintegration of Yugoslavia would also be the end of prospects for democracy here. Aside from the fact that this theory is tantamount to a disavowal of the democratic character of the governments, as well as of the capacity for democracy, in Croatia, Slovenia, Macedonia, and Bosnia-Herzegovina, it frees the United States from its servitude to its "doctrine" stipulating that greater Serbian and Army-oriented Belgrade is the only guarantor of the West's geostrategic interests in this area—or rather from the inability of American institutions and figures to pull away from Serboslavia, despite the obviously totalitarian and national-communist character of that "project."

But even the coming hours will show that time is running out for ostrichlike behavior. The West, which has not acted in any way other than "too little too late" will be faced with a fait accompli, which will have absolutely nothing to do with its ideas about a "unified and democratic Yugoslavia." Whether things move in the direction of the Markovic-Kadijevic "Turkish solution," the Croatization of Croatia by the federal police, a "spontaneous uprising" of all Serbs in one state (and the Army) as a prelude to the creation of Serboslavia...there will be an abundance of proof of the incompatibility of the two aforementioned attributes, the fruits of untenable ignorance. If the West does not stay on the alert, the corresponding Rapid Deployment Forces, capable of preventing greater Serbian and Army frontal aggression against the "insubordinate republics," will be directly responsible for everything that happens.

Bosnia, Macedonia Propose Crisis Solution

*IBA/07494 Sarajevo OSLOBODJENJE
in Serbo-Croatian 19 May 91 p 3

[Article by Rajko Zivkovic: "Time of Change: Fifth Hand in Final Act"—first paragraph is OSLOBODJENJE introduction]

[Text] Could Gligorov and Izetbegovic have saved us from the presidential crisis earlier? A rise in ratings for challenged Kostic

It is possible that the Yugoslav state leadership would not have arrived at such an unprecedented crisis if prior to the unsuccessful sessions of the SFRY Presidency, the sixth round of talks between the six republic presidents had been held, which was first scheduled for 8 May, then for 16 May, and thus the day after which the new president of the Presidency—Stjepan Mesic—was to be proclaimed elected. Those who are inclined to think so in any event are bearing in mind that which Kiro Gligorov, president of the Republic of Macedonia, and

Alija Izetbegovic, the president of the Presidency of the Socialist Republic of Bosnia-Herzegovina, were intending to propose to the other four presidents of Yugoslav ministates (Kucan, Milosevic, Bulatovic, and Tudjman) on the day after the election of the new president and vice president of Yugoslavia. In fact, it is known that Izetbegovic and Gligorov had prepared for the Sarajevo summit of the group of six a completely new (or at least it can be called that) document for resolving the Yugoslav political crisis, and that they intended to make it public at the meeting in Stojcevac.

Although Gligorov and Izetbegovic maintained strict secrecy about their joint document, even to the point where, say, several members of the Bosnia-Herzegovinan Presidency came out against it after learning of the essential features of the proposal at the last minute, it has nevertheless been learned from several sources that the two republican statesmen were seeking a resolution of the Yugoslav crisis by reconciling positions and options in the very domain where the lines have been clearly drawn for some time now: between Serbia, Montenegro (Kosovo and Vojvodina) on the one hand, and Slovenia, Croatia, Bosnia-Herzegovina, and Macedonia on the other hand. Those who are familiar with the essence of this proposal in greater detail say that Gligorov and Izetbegovic worked on the proposal at the last minute, but that they have had the idea of formulating it together ever since the second Yugoslav summit in Belgrade, and thus for more than one month's time.

It remains to be seen whether Gligorov and Izetbegovic have succeeded in their goals and whether the proposal in question will actually be able to reconcile and bridge over the two, until quite recently, irreconcilable extremes and options—federation and confederation—and naturally only if there is the time, and the will, and the desire to look at it.

For analysts of Yugoslav conditions, however, it will not be difficult to conclude that the directors of the final act in the Yugoslav political crisis—if it is in fact the final one—are indeed determined to show how the others allegedly lack precisely the time, will, and desire to resolve the country's crisis in a peaceful, dignified, and democratic fashion. Many questions and many answers in connection with this are now becoming superfluous and irrelevant, but those who want to figure out certain things will be interested in knowing why, for example, they waited until the last minute to proclaim the three (il)legal members of the SFRY Presidency—Branko Kostic, Jugoslav Kostic, and Sejdo Bajramovic—unless they actually did not want to complicate this situation in this way. And subsequently, why did the actors in the Yugoslav "presidential drama" maintain silence about all this, or is it in fact they or some of them who are in fact the directors of the final act of the unfolding of the Yugoslav drama, in which the other side is accused—while in turn accusing the others—of being to blame for the fact that Yugoslavia is no longer what it used to be or never will be again. In addition, one must keep in mind that some of them have said publicly for some time now

that they do not want to be actively or in any other way involved in the disintegration of Yugoslavia, while others have publicly announced that they will be the last ones to read Yugoslavia's "funeral oration."

Yugoslavia, or rather its future, apparently depends on one person at the moment. It depends on the famous fifth vote, which is being persistently sought out. Judging from all indications, a majority of people think that that vote belongs to Branko Kostic, a figure who until quite recently was vehemently challenged by part of the Montenegrin political leadership and whose ratings are rising at lightning speed precisely because of this. This is apparently making a big impression on Kostic, as well as on those giving him orders. Kostic says that he will not support Mesic's election as president of the SFRY Presidency even though he "respects the moral and human integrity of Mr. Mesic," and that he will vote for "whoever is ready to fight for the preservation of Yugoslavia, not for its demolition." However, it is unclear how he can respect the "moral integrity" of someone who has already demonstrated his willingness to demolish Yugoslavia, unless, of course, Kostic is implicitly implying something else here.

But the question arises: Why does everyone or a majority of people think that this fifth vote is in fact Kostic's? Indeed, could it not be Jovic's? Although no one or almost no one believes this possibility, because Jovic has already publicly stated where he stands and because that politician's positions have been public knowledge for years now, the possibility of a compromise must not be ruled out, because combinations and compromises are struck in this country that are simply incomprehensible in some parts of the world.

In a country where we have grown accustomed to divisions and where we live with divisions and keep our finger on the trigger, the fifth hand, no matter how much it may be the hand of salvation and reason, could also be the hand of new and probably profound and final divisions. In the situation in which Yugoslav society collectively finds itself, it appears to some people that it is of no consequence whether that hand is raised or lowered.

Macedonian Position on Yugoslav Crisis

Georgijevski: Interview

91B407294 Belgrade BORBA in Serbo-Croatian
20 May 91 p 6

[Interview with Macedonian Vice President Ljupco Georgijevski by Zivko Cerovic, place and date not given. "Ljupco Georgijevski, Vice President of the Republic of Macedonia, on Ways Out of the Yugoslav Crisis: Saviors and Destroyers"—first paragraph is BORBA introduction]

[Text] The only acceptable solution is a confederation of sovereign states. In the event of civil war, Europe has the right to step in between the quarreling sides. If there is

inadequate listening and desire for dialogue, Macedonia will declare its independence.

"I think that what is especially delightful today is that a couple of days ago in the provincial assembly all Macedonian political parties voted in favor of Stipe Mesic being elected president of the SFRY Presidency. In fact what we have here is not simply ordinary support; rather it is recognition that things are as they are, and that there is not one valid, and thus legal, foundation for changing this situation, for challenging it. Macedonia recognizes Stjepan Mesic as president of the Yugoslav Presidency. At the same time, we expect both Serbia and Montenegro to support this if they in fact do not want to see the dismemberment of Yugoslavia.

"What we were able to hear during the debate in the Assembly was everyone, or almost everyone, calling the Serbian state and current Serbian policy the generator of the crisis situation in Yugoslav society. I hope that in response to all these numerous critics, current Serbian politicians will draw the appropriate conclusions and learn the appropriate lessons," said the vice president of the Macedonian republic, Ljupco Georgijevski, in response to a question concerning how he views the latest session of the republican Assembly.

Coup and Countercoup

[Cerovic] How do you view the various scenarios for resolving the Yugoslav crisis?

[Georgijevski] Besides the scenario involving resolution of the crisis in a democratic manner, there are several other scenarios for untangling the crisis in Yugoslavia. One of these is clearly a state of emergency or a military coup, with which the Army would normally be in the position of savior of some sort of Yugoslavia. A basic analysis indicates that this option is untenable, for several reasons. Most of all because the Yugoslav People's Army [JNA] comprises members of many nations and nationalities. Right now, the scenario with the military in the primary role is being challenged to a certain extent by the latest position adopted by Serbia, in the form of its refusal to vote for and elect Mesic as president.

Specifically, the Army is faced with the challenge of how to respond to the question of who the main culprit is in the Yugoslav crisis.

Until several days ago, the JNA leadership maintained that the main culprits are Tudjman and Croatia. Now, however, this position—that Croatia is the main enemy of Yugoslavia—has actually faded away, because Serbia has demonstrated particular arrogance and aggression, to which no one can be indifferent and which it does not have the means to defend. In this way, the ball has moved over night from Croatia's court, as the main cause of the Yugoslav crisis, to Serbia's. Thus, it turns out that Serbia, or rather its current leadership, is the main destroyer of Yugoslavia. This means that the Army will have to change its conception and its views. Finally

what solutions are possible if the Army, nonetheless were to decide in favor of a coup?

First, I think that this move would have to face up to opposition from the Slovene and Croatian states. Because if the Army intervenes, both Slovenia and Croatia will resist this show of force. This means that the Army must count on any coup carried out by it being met by a counter-coup. And any war or occupation, accompanied by a coup, will immediately become a true civil war, and this situation would be accompanied by a great deal of unnecessary bloodshed.

[Cerovic] What is the possible solution to the constitutional crisis if Serbia and Montenegro stick to their position concerning the non-election of Mesic?

[Georgijevski] The road to a democratic solution is very long and intricate. If this were not the case, a democratic solution would have already been found and accepted. The fact is that there is a great deal of rigidity, inflexibility, on the part of Serbia and Montenegro in the Yugoslav negotiations. Essentially, Montenegro has no particular reason to defend its positions or its latest position on Mesic, because its demands have already been accepted.

However, I believe that Serbia will have to yield to pressure within Yugoslavia and to world pressure. If it wants a normal democratic solution, it will have to stop engendering a postwar psychosis among its own people. The media in Serbia, as well as the Serbian parties in Bosnia-Hercegovina and Croatia, are continually fostering the image of an ostensible, terrible threat to Serbs according to which everyone is against them, everyone wants to destroy them, massacre them, and according to which there are conspiracies coming from all directions.

This situation is abnormal for Europe, but also for the Balkan context. Europe will not permit the creation and maintenance of a medieval atmosphere in our country right now. There is talk, for example, of the constant threat to Serbs in Bosnia-Hercegovina. I believe that in a sovereign Bosnia-Hercegovina all nations will have the opportunity to be equal before the law and that Bosnia-Hercegovina could become a genuine Switzerland of the Balkans in terms of the arrangement of relations among the nations. Because of this, I see no reason for a Serb in Bosanska Krajina to feel more threatened than a Serb in, say, Sumadija.

On the other hand, I do not understand why there is such resistance and such a continual, latent crisis in Knin Krajina. If you actually look at what the issues are there, you see that what we are talking about is whether or not there will be conspicuous display of the Croatian coat of arms at police stations, and similar things. If you look at the human rights enjoyed by Serbs in Croatia, they are presently greater than those enjoyed by them until a year ago, when the communists were in power. Tudjman is introducing autonomy for Serbs in Croatia, and that is much more than the Serbs in Croatia have had for all these 45 years.

Thus, the solution is acceptance of a situation where the Serbian people who live in Knin Krajina, Slavonia, and Bosnia-Hercegovina are able to live in their sovereign states without breaking off ties with the sovereign Serbian state, especially because we will continue to live in one state, which will have its joint functions. However, Serbia will have difficulty accepting the sovereignty of all republics in Yugoslavia.

Independent by Force

[Cerovic] Has Macedonia offered a plan for resolving the Yugoslav crisis?

[Georgijevski] During the Yugoslav debate, Macedonia has evolved in its positions, beginning with the federal option and moving to the position of an alliance of sovereign states, meaning a confederation.

[Cerovic] What are Macedonia's basic premises in the Yugoslav negotiations?

[Georgijevski] They are that borders within Yugoslavia are immutable. We must respect this if we do not want war. The second element is that the states are absolutely sovereign and that they are the standard-bearers of that sovereignty. Negotiations and agreements on the future joint functions of the confederation can be conducted on the basis of this position of equal sovereignty. At the moment, Macedonia is in favor of returning the negotiations to an examination of those questions where genuine agreement can be reached most quickly. It is necessary to give some problems concrete form in order that all the republics can speak out and adopt positions on them. These are questions of human rights and economic relations. The things that have been the most controversial thus far—meaning defense and foreign policy—where swords have actually been crossed and where the decision will be made for a federation or confederation, will continue to be the most disputed ones.

[Cerovic] Support for an independent Macedonian state has also been heard in the provincial assembly?

[Georgijevski] You see, initially there were only one or two parties that were standard-bearers of that idea, but today, in fact, all parties in Macedonia support such an idea. Nevertheless, all parties in Macedonia emphasize that they will do everything possible to achieve a peaceful resolution of the Yugoslav crisis and to create a confederation of sovereign states. However, if such an agreement is not reached, if some excessive situation occurs, then we will have no choice but to become an independent state. The standards for this will depend on many factors. In any case, however, we will continually have to keep this variant in mind. Moreover, I believe that with this sort of independence Macedonia will not be any worse off than it is in its present situation, or than Slovenia, Croatia, and Serbia are in their present situations. I believe that Macedonia, too, will have opportunities in the new European order.

[Cerovic] How do you view indications of interference by external factors in the resolution of the Yugoslav crisis?

[Georgijevski] I think that we must devote greater attention to that factor than we have in the past. Especially we in Macedonia. I think that Europe is not at all interested in the outbreak of major conflict on the continent. If violent conflict breaks out in the Yugoslav region, we cannot rule out the possibility of some form of intervention by joint European forces or by certain pacts, including NATO. I think that in the event of conflict, both Croatia and Slovenia will appeal to those forces, and that Macedonia as well is not far from such a position. After all, this can even be heard at sessions of the Macedonian Assembly. We must think about this, as well as the possibility of avoiding large-scale bloodshed, which no one here in Yugoslavia wants. Otherwise, I believe that Europe is already prepared to intervene in Yugoslavia if necessary.

Assembly on Mesic Crisis

91BA0729B Belgrade BORBA in Serbo-Croatian
20 May 91 p 6

[Article by M. Batkoski: "Attack on Croatia: Strong Support for Declaring Stipe Mesic and Dr. Branko Kostic President and Vice President, Respectively, of State Presidency"]

[Text] Skopje—At a hastily convened session dealing with the latest events in the SFRY Presidency, delegates to the Macedonian Assembly called on the SFRY Presidency to declare and announce the election of Stipe Mesic as president and of Dr. Branko Kostic as vice president of the SFRY Presidency.

The Macedonian parliament believes that it is indispensable that the profound constitutional and political crisis surrounding the state leadership not be extended to other federal agencies as well, as is the case with initiatives to draw confidence in the Federal Executive Council into question.

At this session, where representatives of all political parties with seats in the Macedonian parliament participated in the debate, the deputies were also addressed by SFRY Presidency member Dr. Vasil Tupurkovski, who provided them with detailed information on what has been happening in the SFRY Presidency in recent days, as well as assessments and his own views about what the implications of the breakdown of the SFRY Presidency could be. Macedonian President Kiro Gligorov also believes that Mesic should be the head of the SFRY Presidency, and views the recent vote as an attack on the equal status of Croatia, something that could also happen to representatives of other republics and nations. Republican Prime Minister Dr. Nikola Kljusev informed the deputies that the government has decided to increase the republic's level of security readiness in order to defend components of general and public interest.

Unprecedented Act

In a lengthy statement, Dr. Vasil Tupurkovski said that affirming Mesic's mandate is a question of principle and that as the Macedonian representative he supported the only acceptable and possible solution: that Mesic and Kostic be elected.

"The act of blocking the regular rotation in the SFRY Presidency is an unprecedented act in the past history of this highest state body."

Dr. Tupurkovski said that Macedonia has no other choice. No republic can be deprived of a single aspect of its equal status. Disrupting the equal status of the republics is a new form of totalitarianism and rational hegemony, and in the newly emerged situation this is a potential threat to the negotiations on future relations in the Yugoslav community. One of the consequences of the breakdown of the SFRY Presidency could be to deepen the constitutional and political crisis and to move Yugoslavia and its republics and nations away from the stabilization of economic and financial trends and from moving closer to European processes of integration based on democratic principles. The Macedonian member of the SFRY Presidency warned that the breakdown of the SFRY Presidency also affects the most delicate problems of defense and security. Its inability to perform its duties as commander in chief in particular leaves room for a great deal of JNA autonomy, and thus brings with it the possibility that the Army will act unconstitutionally. Tupurkovski said that it is tragic that in the view of some people the military option represents an alternative in the formulation of policy by some republican leadership structures.

Aggressive Scenarios

Republican President Kiro Gligorov also said that the Mesic incident is an example of disrespect for Croatia, just like other cases where that republic and Slovenia have been attacked. In a lengthy statement, Gligorov emphasized that the interests of all republics and nations must be respected, and that Macedonia, too, has been subjected to other forms of attack because of its adoption of a declaration of sovereignty.

"When we adopted the declaration, which we will uphold to the end, it was not our intention to continue with prior practice, to wait for what other people would say, and then to speak out and present our positions, a process that had been rightly criticized by the public. After adopting the declaration, we knew what we wanted," said Gligorov, emphasizing that if the situation in Macedonia is peaceful even though visible results have been achieved in the democratization of relations, it must not be forgotten that Macedonia's neighbors—Yugoslavia and other Balkan countries—are in troubled waters, and that their well-known appetite for their Macedonian neighbor is growing. He appealed to the Macedonian citizens to achieve greater unity, to intensify their commitment to solving economic and political problems, and to implement initial reforms. Gligorov's

assessment is that the process of democratizing relations in Macedonia is under way, that dialogue and tolerance must be fostered, and that the very fact that seats in the Macedonian parliament are held by representatives of the nations and nationalities and their [word illegible] is among the best proof that ethnic equality is being looked after.

During the debate, the majority of deputies said that it is indispensable that Mesic be the head figure in the Yugoslav Presidency, and moreover that it is indispensable that negotiations on a future Yugoslavia continue. They also gave their support to the actions and the vote of Dr. Vasil Tupurkovski on the SFRY Presidency. Representatives of the Party of Democratic Prosperity from Tetovo, aside from supporting Dr. Tupurkovski's statement, called on the Macedonian parliament to adopt the categorical position that Sejdo Bajramavic cannot be a member of the SFRY Presidency because he was elected by the Serbian Assembly, not by the Kosovo Assembly, emphasizing that Serbia is acting in a hegemonic manner in its desire to have three votes as a republic, and moreover that it has suspended autonomy in Kosovo.

Army Views on Presidency Crisis Discussed

91B407454 Belgrade NARODNA ARMIJA
in Serbo-Croatian 23 May 91 p 5

[Article by Ivan Matovic: "Time for Reason and Courage"—first paragraph is NARODNA ARMIJA introduction]

[Text] JNA [Yugoslav People's Army] units [are] on special assignment in Knin Krajina, in the Plitvice region, in eastern Slavonia, and on the Danube. [This is] a responsible stance by the mobilized structure. [There has been] a consistent realization of the timely plan of measures and activities by JNA units in connection with decisions by the collective head of state and under orders from Supreme Command Headquarters. Any invitation extended to a foreign military force to participate in the resolution of the Yugoslav crisis will be regarded as an act of high treason, and any military intervention will be regarded as open aggression against the SFRY.

For weeks now, JNA units, working around the clock and under aggravated tactical and temporal conditions, have been involved in performing the duties assigned to them on the basis of the decisions on 9 May by the SFRY Presidency and under orders from Supreme Command Headquarters. In the eastern Slavonia region, in towns of Knin Krajina, in the extensive Plitvice area, and in other places where there is a threat of bloodshed, they are performing their duties responsibly and with discipline, patience, and dignity. It is with an equal degree of responsibility that all other measures have been carried out as ordered by Supreme Command Headquarters on 6 May in connection with raising the JNA's level of combat readiness and with mobilizing corresponding units in order that the Army, if the institutions of the

federation and republics do not ensure peace, can effectively do so within the framework of its constitutional role and responsibilities.

It must be noted here that the entire military structure involved in the mobilization of corresponding units has adopted a militarily responsible stance, as reported by our correspondents in Skopje, Titograd, Sarajevo, and Belgrade. In addition, all military conscripts, who, because of the importance of these duties have been suddenly and temporarily disengaged from their regular jobs, have willingly and almost without exception responded to the call, expressing patriotic sentiments, an unmistakable feeling for our common interests, and the resolve to defend Yugoslavia as a state.

In the meantime, several members of the SFRY Presidency, returning to their bases of support without having completed their task of electing the "first among equals" from among themselves, have made announcements, together with national and party leaders, through statements to the domestic and foreign public, each providing his own interpretation of our constitutional crisis and of its detour, primarily with arguments that correspond to the interests of their own national settings. In so doing, they, as well as certain republican bosses, have not skirted the problem of defense, or more precisely of the JNA, with regard to how the state leadership has been left leaderless, without a collective supreme commander, and how the JNA, taking advantage of this vacuum, could undertake "some uncontrolled action," even a "quiet military coup"; how the behavior of the "military command structure" is such that the question of the Army's stance must be discussed at the very next session, etc. This is accompanied by certain phenomena: the relativity of the decisions of 9 May by the SFRY Presidency, doubts concerning the possibility of finding a way out of the constitutional-legal crisis, the spread of suspicion concerning the other side's intentions, and even hints at an invitation to foreign elements, including military ones, to take part in solving our problems. With respect to this last-noted phenomenon, we point to the clear and completely constitutional position of the Army, which has been publicly expressed on several occasions this year and last year, especially in the announcement by Supreme Command Headquarters on 19 March, that any invitation extended to a foreign military force to participate in the resolution of the Yugoslav crisis will be regarded as an act of high treason, and any foreign military intervention in our affairs will be considered an act of open aggression against the SFRY and will be met by armed resistance, as stipulated by the Constitution and by the Strategy of Armed Combat.

Through their latest statements on defense and the Army, certain national leaders, as well as some members of the collective head of state, are objectively inciting an anti-Army propaganda war, or at the very least are not fundamentally bringing their influence to bear in allaying it, to say nothing of quickly halting it, through which they are not acting in the spirit of their own

decisions, which were adopted unanimously on 9 May. In this propaganda war, moreover, both conflicting sides are saying that the Army leadership is not unified, that it includes bad and good generals, hawks and doves, iron hands and democratic heads, all of which constitutes pipe dreams and unscrupulous lies. After all, in rational analyses of the situation in which we live, in assessments of possible courses of the crisis and of ways out of it, and in the adoption of every decision, complete unity is manifested. The Yugoslav as well as the foreign public has seen proof of this on many occasions.

Consistent with what Supreme Command Headquarters announced to the public on 19 March, the Army is in favor of a constitutional resolution of the crisis that has emerged in connection with regular changes in the SFRY Presidency, regarding this crisis as a consequence of inconsistency in applying the Constitution, because many people in our country have long interpreted and applied it as they see fit. The road to finding an acceptable and Pan-Yugoslav standpoint in this crisis situation, too, consists of respect for the Constitution and a willingness to compromise. However, precisely that which has happened with the collective supreme commander has at no time provided any reason for the JNA, led by Supreme Command Headquarters, not to undertake, in accordance with the SFRY Constitution and with federal laws, organized action with the leadership and command system that functions harmoniously on all levels. The Army is resolutely implementing a timely plan of measures and activities in order to realize the decisions of 9 May by the SFRY Presidency, in fact under much more complex conditions than were present in mid-March, when the Presidency approved the proposal by Supreme Command Headquarters. The realization of this plan was also discussed at the meeting of the highest ranking military officers held on 18 May in Belgrade and chaired by Army Gen. Veljko Kadijevic. As the public has already been informed, this meeting dealt with defense and security aspects of the country's situation and foreign reactions to it, and the duties of the command, units, and institutions of the JNA were established, including those duties associated with the further implementation of the positions and decisions of the SFRY Presidency adopted on 9 May.

The Army leadership has for some time warned of the consequences of the absurd and farcical insistence on political, economic, and even military partial interests, of the consequences of the militant dictates of will and opinion. The validity of these assessments by the JNA leadership is brutally corroborated by life, a fact that as a rule is acknowledged and remedied later on. And these things, we repeat, are the result of action by a united collective body, consisting of highly educated and experienced armed experts, confident patriots and democrats, who get the information on the basis of which they reach decisions from expert analytical teams equipped with top-notch technical means. These assessments and, of course, proposals for stanching certain destructive processes, including the arming of paramilitary groups,

were not accepted by the SFRY Presidency in time. In so doing, some of its members demonstrated a lack of diplomatic latitude, statesmanship, political prudence, and responsibility.

That which will be done [will be accomplished] through the application of measures to assuage the situation, resolutely acting primarily in a preventative capacity, but if this is not possible, naturally protecting the lives of all citizens and military personnel and averting armed conflict and bloodshed, will be handled according to the regulations pertaining to combat deployment of units. But despite the seeming assuagement, the situation continues to be very difficult and uncertain. Its further course is hard to predict, but there are many indications that new tensions as well as large-scale interethnic retribution cannot be ruled out. Objectively speaking, this brings with it the possibility of increasingly open influence and interference by foreign factors.

Thus, the duties of Army personnel will continue to be complex and will demand a maximum amount of commitment and responsibility, combined with patience and also resolve. In facing this increasingly difficult test, moreover, there will occasionally be individuals who are not fit for these duties. The best thing would be for those people who are incapable of dealing with the hard truth, who have lost their will, who have grown weary of the confusion, and who have succumbed to the onslaught of nationalism, to make a timely departure from the combat structure—the sooner the better and the most painlessly, both for them and for those who remain resolute and consistent in their commitment to Yugoslavia.

Maribor Incident: Background Examined

*91BA0745B Belgrade NEDELJNA BORBA
in Serbo-Croatian 25-26 May 91 p 3*

[Article by S. Sicarov: "Background of Maribor Incident: Army Issued Warning"—first paragraph is NEDELJNA BORBA introduction]

[Text] The military contends that an agreement was reached on recruits, and Jansa says that nothing was agreed to.

Although the conflict between the newly formed Slovene army TO [Territorial Defense] and the JNA [Yugoslav People's Army] arose from an utterly concrete case involving the transport of two soldiers in olive drab uniforms to training barracks for the first generation of Slovene recruits, who had arrived at the Training Center in Pekre, near Maribor, only 10 days earlier, it is already obvious that there is some background to these excessive events. Just as with interpretations of the events in the Maribor suburb and the opstina offices, there are also two conflicting views of the backdrop to the entire situation, its reasons, and its motives.

From the viewpoint of the civilian Slovene authorities, this was an action that was planned in advance, a plan

for the partial occupation of Slovenia, and all of it is linked to the anti-Slovene orientation of the federal military. The question of who overstepped their authority and in what way, and whether the intent was to achieve a broad escalation of the conflict or an outpouring of anti-Army bias, is anyone's guess, but it is certain that there is also another side to the story, which was presented to representatives in the republican Assembly by representative Col. Milan Aksentijevic.

Specifically, three days ago Aksentijevic proposed that Slovenia place a freeze, until further notice, on all decisions associated with the performance of military service and recruiting, which in recent months have led to direct conflict with the JNA. He said that the insistence that recruits from Slovenia complete their military service in their own republic is leading to the disintegration of the JNA, that the Yugoslav Army is not at all to blame for the problems surrounding recruits, and that it has demonstrated the utmost tolerance and patience in attempts to solve these problems.

The last such attempt was on 21 May, when a delegation from the JNA, or rather from the SAWP [Socialist Alliance of Working People], led by the commander of the Fifth Army District, Gen. Konrad Kosek, was staying in Ljubljana and holding talks with the Slovene leadership. The next day, the colonel warned the Slovene public that "all possibilities had been exhausted," and the incident at Pekre occurred the day after that.

Disagreement arose about the interpretation of that meeting, about what was said, and about what may have been agreed to on Tuesday. We say "may have" because the Slovene government, especially Minister Janez Jansa, contends that nothing was agreed to with regard to recruits, while Aksentijevic said in the assembly that an agreement was reached to the effect that the JNA would take charge of the recruitment question on 23 May. The JNA is obligated by federal law to take charge of these matters of military service, while a second unclear point from the talks between the military and Slovene delegations concerns precisely the question of whether, as Prime Minister Peterle contends in a letter sent the day before yesterday to Ante Markovic and Gen. Kadjevic, the military delegation agreed to respect the Slovene decision to declare itself an independent state, or whether it agreed, as Aksentijevic said, to "carry out its duty."

In other words, the source of the apparent dispute is the question of whether the military, or rather the JNA, promised Slovenia that it would wait for Slovenia to declare its independence by 26 June, after which the execution of Yugoslav law would constitute aggression against a foreign state, or whether the military told the Slovene leadership that it will execute claims based on federal law before the deadline to which that is bound, i.e., before 30 June. Naturally, this is only part of the lack of clarity associated with overall relations between the JNA and the institutions of the Slovene government.

BULGARIA**Obstacles to Foreign Investment Analyzed**

91BA0565A Sofia 168 CHASA in Bulgarian 2 Apr 91 p 10

[Article by Yuriy Botev: "The 'Miracle' of Foreign Investments in Bulgaria Did Not Happen"—first paragraph is 168 CHASA introduction]

[Text] Why is it that Volkswagen is investing in Portugal and Czechoslovakia and not in our country? Why did Electrolux purchase Zanusi in Italy instead of Elprom in Varna?

In our country, foreign investments have been allowed since 1980 with Ukase 535, which started a revival by broadening and enriching the forms of such activities. It allowed foreign individuals to engage in independent economic activities. The main form remains that of organizing joint-venture companies or opening independent branches of foreign enterprises in our country.

At the same time, Ukase 56 allows the registration of the place of activities without the need for a juridical person, independently of statutory capital. That is how foreign investments are assisted.

The fourth method is independent commercial agencies. They are not juridical persons and do not engage in economic activities that result in showing a direct profit.

However, although liberal, Bulgarian legislation in this area has not been consistent. The endless changes in Ukase 56 cause uncertainty in foreign partners. There is a need for a law that would eliminate the present faults and unnecessary bureaucracy in issuing permits and in the registration system.

The reason is that, 10 years after the first joint-venture company was established and two years after the enactment of Ukase 56, by 15 March the number of registered companies had not exceeded 204. The statutory capital of such companies totals 141 million leva. The average share of participation of foreign organizers in the statutory funds in recent years has increased slightly but does not exceed 43 percent.

There also are 106 branches of foreign companies, which declared, in the course of their registration, a total statutory capital of nearly 32 million leva. In the majority of cases, the statutory capital was paid up in convertible currency. According to the latest amendment to Ukase 56, a minimal amount of statutory capital of U.S.\$20,000 is required; in the case of bank branches, it is \$500,000.

About one-third of the registered joint-venture companies and branches have declared as the object of their activities the production of a variety of goods. Nonetheless, most of them engage in commercial activities. They import goods to be sold on the domestic market, paid in

leva or else not always legally against foreign exchange, and seek Bulgarian goods for export, engage in barter deals, and so on.

Many of the companies and branches engage in engineering activities. Others concentrate on services. All such activities lead to a fast accumulation of profits in leva, which are hardly tempting to the foreign partners because of their nonconvertibility. Such money can actually be used only within the country. The idea developed by some companies and branches to reinvest their profits in leva in the building of hotels or other real estate is one of the most rational ways for a return on investment.

A very few joint-venture companies and branches have undertaken to build shops or to master the production of goods for the domestic market or for export: Tangra, Singularimpeks, ROSSA-BA, Kargobul, Bullit, Vivareks, Globus Internatsional, and others. Most companies lack their own production base but assign work to Bulgarian firms. Extensive work is being done on this basis in the field of light industry.

Cases of making major investments in the building of new plants or reconstructing existing inefficient ones remain infrequent. The figures we quoted on statutory capital might have led to the assumption that, with such insignificant amounts, unless credit financing is sought, it would hardly be possible for joint-venture companies and branches to develop more significant capacities.

Although very timidly, the foundation has been laid for the penetration of our country by foreign companies and their investments. However, the activities of the joint-venture companies and branches, considering their present condition, would be unlikely to play a substantial role in the revival of the Bulgarian economy.

Nor, for the time being, are expectations for more substantial investments by foreigners in Bulgarian customs-free zones being justified. Despite relatively advantageous conditions, no interest is being shown in making capital investments. Recently, the only joint Bulgarian-Greek company for the production of furniture began work in the Ruse customs-free zone. In terms of results achieved in attracting foreign investments, Bulgaria cannot compare with countries such as Italy and Greece, in which Western concerns are investing hundreds of millions of dollars annually.

Joint-venture companies, branches, and independent commercial agencies should contribute to bringing into our country foreign experience, modern technology, and progressive management, things we so urgently need. They are expected to provide new jobs and, not least, profits and reinvestments in the country.

That is why our new economic legislation should settle the controversial problem of capitalization of our obligations to other countries and individual foreign companies by granting the right to build and use premises and

land, as well as the right to industrial ownership. Naturally, this could be done after the formulation of methods for assessing and determining the market values of such contributions to statutory capital.

Bulgaria should create all the necessary conditions and become attractive to foreign capital. It simply has no other choice if it wants to develop a modern economy.

POLAND

New Opportunities for Advertising Development

91EP0460C Waryan RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 2 Apr 91 p VII

[Interview with Prof. Janusz Szwaia of the Interdepartmental Institute of Inventiveness and Protection of Intellectual Property Rights, Jagiellonian University, by Ryszard Andziak, place and date not given: "We Invite You To Advertise"]

[Text] [Andziak] Advertising has become omnipresent—it flows from the radio and television, it appears in newspapers and on walls. Are there any laws which regulate this inseparable field of the market economy, the main factor in the struggle of firms competing with one another?

[Szwaia] There are no uniform laws in Poland which standardize the rules of advertising, defining which practices are permitted and which are forbidden. They are scattered throughout many laws. They can be found in the law on sobriety education, the copyright law, the press law, and the inventions law. They are also contained in certain rules of professional ethics, e.g., the longstanding rule forbidding lawyers and doctors to advertise. Regulations relating to advertising are found in the 1926 law on combating unfair competition; civil laws on unfair competition are in effect, the penal laws were repealed. But this law is over 60 years old. At the time it was passed it was intended mainly to protect the interests of the consumers against unfair advertising. It ignored consumer protection, so badly needed now.

[Andziak] After the lean years of a planned economy, it appears now that it is no great achievement to produce goods, but to sell them. Are we prepared to take the offensive and not be choosy about our means of advertising?

[Szwaia] We have to consider the present economic and social situation. During the last decades, advertising, in the sense that it was used in the countries with a developed market economy, was almost nonexistent in our country. It was not needed. As a rule, the supply was lower than the number of waiting purchasers. Therefore we limited ourselves to issuing information, and because the information came from government sources, it was believed to be credible. Now we come across advertising which exaggerates the qualities of a promoted product

and does not describe its properties objectively. The buyers often feel lost. This tells us that regulations governing advertising should be tightened.

[Andziak] Is it the same in other countries?

[Szwaia] In Italy, for example, the laws and the practice are relatively liberal, but the Italians are accustomed to the fact that advertisements often exaggerate, and so they do not take them seriously. In Germany, on the other hand, the regulations are very strict. They protect the less cautious and trusting consumers. It is assumed there that if an advertisement would be misleading to 10-15 percent of the recipients, it should not be allowed.

[Andziak] Prohibitions, obstacles, but where is the striving for normal economic principles?

[Szwaia] I am not saying that strict regulations are necessary to control advertising activities, but the interests of both participants of the market—the enterprises and the buyers—must be reconciled.

[Andziak] Advertising is business. Producers do everything they can to clear their goods from the warehouses. Can every product and service be advertised?

[Szwaia] That depends on the laws of a specific country. In our country we cannot use advertising to encourage the purchase of alcohol or medicines. The guidelines of the CEMA Council, dated 1989, on television advertising and sponsored programs contain similar prohibitions. They forbid the advertising of tobacco products and prescription drugs.

[Andziak] And advertising of alcohol?

[Szwaia] As stated in these guidelines, it is possible, but only if it is not directed at minors, does not suggest that alcohol has a positive effect on physical fitness, that it has a calming effect, or that it stimulates social and sexual prowess.

An advertisement cannot be in conflict with the law and good taste. Therefore, an advertisement which violates human dignity, offends religious feelings and political convictions, leads to discrimination as to race, nationality, or sex, is forbidden. It cannot encourage behavior which is dangerous to the health.

[Andziak] Advertising of contraceptives is arousing a great deal of controversy.

[Szwaia] I am convinced that this problem will soon hit us with full force. In my opinion, it cannot be regarded as being in conflict with the law and good taste. Naturally, if the way it is presented is not an affront to these values, I believe that there should be no question: advertising contraceptives is now permissible.

[Andziak] The consequences of believing an advertisement can sometimes be tragic. For example, the crippled children whose mothers took thalidomide, a tranquilizer, during pregnancy. In our country there is also the

painful experience, although of another type, of those who believed in Grobelny's Security Savings Bank (BKO).

[Szwa] Insofar as the advertising of thalidomide in the 1960's, mainly in the United States and Germany, is concerned, that is an example of the fact that pharmaceutical products should not be advertised. It can be assumed that if this drug had been sold by prescription, the extent of the tragedy would have been smaller.

The case of Grobelny and his bank, in my opinion, that resulted from the total discretion granted him in the choice of a name for the firm he operated. People identified BKO with PKO [State Savings Bank], except that it offered a better interest rate. Should such names as "bank," "treasury," etc., understood to be places where savings deposits are held, not be restricted and the right to use them granted only after specific requirements are fulfilled?

The mass media played its own part in creating Grobelny by giving him a lot of publicity, thus giving him free advertising.

But the Grobelny case is only the tip of the iceberg. How many similar cases are there, albeit on a smaller scale? I believe that the consumer organizations should have a right to file complaints against such dishonest entrepreneurs. This form of buyer protection is very popular in the Western countries.

[Andz] The effectiveness of an advertisement depends on whether it has reached a specific group of buyers. Can it be directed at children?

[Szwa] On condition that it will not be harmful to their physical and mental development and that its contents will not undermine confidence in parents and teachers.

[Andz] By how much can an advertisement be an exaggeration?

[Szwa] There are no specific rules but it should not be misleading as to the origin of the product. It can exaggerate in those elements which are rated.

[Andz] "Ours is the cheapest," "only here will you buy the best"—those are the phrases which we see over and over in the press.

[Szwa] Comparison advertising is regarded differently depending on the country. In the United States it is permissible. In France it is banned.

[Andz] "We are not responsible for claims made in advertisements"—that is the disclaimer which appears in every newspaper.

[Szwa] It is understandable that a newspaper cannot be responsible if it turns out that the properties of an advertised item are in reality completely different from those described. But I believe that a newspaper should

not publish advertisements or announcements that conflict with the law or are not in good taste. It should refuse to print them and not insure itself by publishing a disclaimer.

[Andz] What is the international advertising code?

[Szwa] It was developed by the International Chamber of Commerce in Paris and is a collection of recommended rules and customs which should be applied in honest buying and selling. No pressure is exerted to use it as a model. The code is neither a law in any of the countries nor is it an international agreement. I think that we could make use of some of the rules recommended in it.

[Andz] In Poland, as well as in other countries, subliminal advertising is forbidden.

[Szwa] The use of subliminal methods, below the threshold of consciousness, is a violation of a person's integrity and his civil rights because it deprives him of his volition in making decisions. In the United States during the projection of a film, an advertisement for popcorn, invisible to the audience, was flashed repeatedly on the screen. It turned out that in those theaters in which the subliminal advertisements appeared, sales of popcorn were much higher. Such practices are forbidden. The advertisement must be visible.

[Andz] In television, more and more sponsored programs are appearing. Can anyone be a sponsor?

[Szwa] Yes, with the exception of natural and legal persons whose activities depend on the manufacture or sales of the products whose advertising in television is banned. Thus, pharmaceutical firms and firms which produce tobacco products and alcohol cannot appear in this role.

[Andz] Cryptoadvertising, i.e., conducting hidden advertising associated with the obtainment of material profit or personal gain, is a serious offense, forbidden by the press law. The more cautious advertisers would rather bite their tongue than risk such an accusation. Sometimes it results in a paradoxical situation—the listener obtains information with a caveat.

[Szwa] That is a delicate matter. Whether a journalist is involved in cryptoadvertising is best judged by his own colleagues and by competing firms, which are ever watchful that the rules of the game are being observed. It is true that it is difficult to prove, but newspapers should give greater attention to such improprieties, to say nothing about the observance of professional ethics by the journalists themselves.

An advertisement must be clearly just that. It cannot suggest that objective information is being presented. In television programs this distinction is made by optical and sound means; in the press, advertisements are separated graphically from the remaining newspaper material.

[Andziak] What is correct advertising?

[Szwaia] It complies with antimonopoly regulations and the law on unfair competition, and protects the consumers so that they will not be misled.

[Andziak] How do we compare with other countries?

[Szwaia] In March I participated in a symposium organized by the Max Planck Institute in Munich at which the permissible limits of advertising and competition in the East and Central European countries were discussed. Differences in viewpoints were revealed at that time between the hosts and the guests, including people from Poland, the USSR, Yugoslavia, and Hungary, concerning so-called slavish imitation.

[Andziak] What does that mean?

[Szwaia] In countries which are just approaching a market economy, products are appearing which are intended to deceive. They look like the products of well-known Western firms. If they pretend to be the original products, then unquestionably this is unfair competition, but if they are clearly labeled that they are produced domestically and no mistake is possible, then, in my opinion, this cannot be called unlawful activity. Naturally, we should not praise such actions, but they cannot be regarded as forbidden, particularly if the Western products are not protected by patents, industrial models, etc., in those countries. But most of our colleagues in Germany regarded such ventures to be unfair competition, taking advantage of foreign production achievements, the renown of the products, etc.

[Andziak] The market verifies everything.

[Szwaia] To say that the invisible hand of the market eliminates all improprieties is not accurate. This takes years and we are in a hurry. Furthermore, we should be careful not to repeat mistakes. In making our way towards a united Europe, we must put our regulations into order. It is not true that in those countries everything is permissible. On the contrary, strict prohibitions are in effect. In Germany, for example, very detailed regulations have been issued with annotations stating the hours during which shops can be open. All of this in concern for the lawful development of competition.

[Andziak] Can we take advantage of Western experience in putting our advertising and the rules of competition on our own market in order?

[Szwaia] There are no models that we can duplicate. In France, for example, there is no separate law on fighting unfair competition. In Germany there is a law dating back to 1909, which has been amended countless times, but the Germans themselves admit that it is not very readable and advise us not to use it as an example. We must prepare our own solutions to protect the development of competition and at the same time take into account the interests of the consumers. They cannot be seduced by dishonest advertising. Therefore, we should

begin work as quickly as possible on the draft laws dealing with advertising and the combating of unfair competition.

Overview of Privatization Details, Problems

WIEZYA Warszawa RZECZPOSPOLITA (ECONOMY AND LIFE supplement) in Polish 10 Apr 91 p III

[Article by Maciej Radziwill: "Privatization of Factories or Enterprises"]

[Text] The scale of the undertaking, privatization in Poland, fascinates not just the Poles. We have already become accustomed to saying that this is a task without precedent in the economic history of the world. After all, we are talking about a dramatic move from a communist economy to a market economy, as practiced in the West. The goal is to build a modern and strong economy which will facilitate our entry into Europe.

It is often emphasized that Poland, in departing from a communist-type economy, is rejecting the "third road" concept. As a matter of fact, in viewing the uniqueness of the task and its indisputably historical importance, that is precisely the road we are taking.

We can name a few specific features of this road, which has not only not yet been cleared, but is leading us into unknown and perhaps very dangerous territory. The plan to distribute privatization vouchers is an example of this remarkable idea. But in this article I would like to deal with another problem. The point is that we are privatizing the economy in its unchanged state. Plants privatized by way of capital maintain their structure. True, here and there some restructuring action is being undertaken, but these are only changes in the enterprise's internal structure. In this kind of restructuring, certain parts of the firm, not connected with its basic operational activities, are separated from the firm, its employees regrouped and reduced in number, and even the types of products manufactured are changed. Measures of this type, based on a true economic analysis, are extremely necessary. But they only go halfway beyond the structure and logic that was already there.

Restructuring of enterprises in Western countries involves similar actions, but they consist more of combining enterprises rather than dividing them and changing their internal structure. In Poland, the tenet has been accepted that enterprises can only be divided into smaller units. Experience with associations and federations determined this. These institutions, from the start of the 1980's, were regarded as the main reason for the crisis in the Polish economy, although in reality they were only a very small element in an entire inherently unproductive system. Assessing them separately from an assessment of the entire system of a real-socialism economy, makes no sense. Nevertheless, they came convenient sacrificial lambs, their liquidation, as could have been expected, brought no positive results.

The present organizational structure of the economy, therefore, is the result of the liquidation of associations and other "caps," carried out during the last 10 years of communist rule. Although almost everything that the Polish People's Republic created is now highly criticized, this in no case pertains to the inherited division of the economy into enterprises. To talk about combining enterprises is monopolistic propaganda.

Meanwhile, the situation is such that the breakup of superplant structures did not basically change the problem of monopolies in the Polish economy. In many branches of industry a large part of the enterprises remained monopolies, either in a given area, or in the entire economy. A good example here is the pharmaceutical industry, in which production, from one plant to another, is highly specialized. Even similar medicines rarely could be treated as substitutes. The organizational breakup of this industry has no effect on the degree of monopolization of production of medicines. This is not an exceptional situation. Similar problems arise in many countries. That is why opposition does not take the form of fighting the monopoly, but only the monopolistic practices. Where there is only one producer of a given product in the country, a simple antimonopoly measure is appropriate control in the form of duties, import limits, etc.

To talk about the danger of privatizing monopolies, which allegedly after this operation are stronger, makes no sense, because there is the Antimonopoly Office and the Main Customs Office [GUC], both equipped with effective instruments of action. In the heat of the battle against monopolies it was forgotten that the fundamental task of the economic departments as well as the GUC should be, despite everything, the protection of Polish industry. In the present situation this protection is especially necessary, because we are liberalizing our economic system and opening it up to outside competition.

The individual privatized one-plant enterprises will not be able to compete successfully with foreign firms. It is not just the world giants that they cannot contend with. They will lose, because they do not have the necessary staff, they do not have enough money for scientific research and development, regardless of the restricted market area and the small assortment of products. Many similar dangers can be listed. The silence and inaction of economists and persons responsible for the strategy of transformations in connection with this is incomprehensible.

The privatization of enterprises in the form given them by the central planner from the previous regime is also incomprehensible. Why, in Great Britain, was an entire industry privatized, e.g., the steel industry, in the form of one firm, and why is this not possible in Poland? Why, in England, despite the fact that British Steel is a very strong enterprise, no one saw a danger of monopoly in privatizing the steel industry, and in Poland, where

steelmaking requires modernization, there is such a fear of a monopoly in this and other branches of industry?

Privatization could take place after a restructuring takes place, a restructuring consisting of combining all or parts of existing economic elements of a given branch into one, or possibly two, wholes. Each of the plants existing today could be in the form of a limited liability company, in which a holding company could initially have 100 percent of the stock, reduced by a packet made available to the employees on the basis of the provisions of the 13 July law. These companies, obviously, would be legal entities and would be so-called profit centers. This situation would make for more efficient utilization of the best management staff and even employment of foreign specialists, at least in certain fields. This would strengthen the position of those producers on the liberalized Polish market and make it possible for them to successfully enter foreign markets. A relatively small number of holding companies would make it possible to obtain the best people for the supervisory councils. Appointing thousands of people to a few thousand single-person companies is fiction. The hope that so many suitable people will be found is unfounded. Strong, multiplant concerns would be the right partner for industrial active foreign investors, with whom the companies, controlled by a holding company, could create companies of the joint venture type. This would create an incomparably better position for the Polish side in its negotiations with foreign partners, then would occur in the case of state enterprises with workers councils, or in the case of relatively small single-plant companies established after commercialization or capital privatization.

The stocks of holding companies would be quoted on the stock market. The relatively large capitalization of such companies might give greater stability to the prices of these stocks than to the prices of stocks of many smaller companies. This stability would also be the result of the financial power and greater versatility of production and sales markets of one large enterprise. The costs of stock market quotations, general stockholder meetings and investor services, would be relatively lower in one, even large, company, than in many small ones. The large capitalization and strong position of these types of holding companies could arouse the interest of passive foreign investors. In the case of privatization of large economic organizations, it would pay to invest some money in an advertising campaign to sell part of the holding company stock to Western retirement funds, insurance companies, investment funds, etc. It is highly doubtful that these types of investors, who are a valuable source of capital and market fluidity, would be interested in the securities of small companies in Poland.

In talking about the giants which constitute the basic part of our economy, it must be remembered that we are referring here to large, often too large, production plants, and not enterprises. In some branches, this largeness reduces the competitiveness of these plants by half. A production plant which is too large finds it difficult to

flexibly adapt its production to changing market requirements. Enterprises which are too small have limited funds and risk their operations on a small market-production area. Membership in the EEC, which is Poland's strategic goal, must take this fact into account even before the initial stage of an association with the European Community. The problem of the lower competitiveness of small firms in many branches of industry is already acutely felt in Italy, for example, where many small enterprises are appearing which are unable to compete within a single, giant market. This threat arouses fears in that country of a further integration of Western Europe. Before we enter Europe we must, in Poland, have an industry which will not only defend its position on the domestic market, but also be able to fight for other sales markets.

The points outlined in this article are not meant to lead to the replacement of one transformation plan by another, without regard to the features of specific branches of industry. This idea does not promise an immediate solution to the problems of the Polish economy. It seems, however, that this is a step in the right direction, towards the situation which prevails on many world markets. Our only trump card is that we are able to choose the road down which we will go. If Polish industry is not restructured now, this will occur shortly after the first single plants are not able to keep up with the competition. We can wait for that restructuring, but much points to the fact that it will occur under much less advantageous conditions.

We are talking about the privatization of a few thousand enterprises. This number is good news for the aggressive Western firms which are counting on buying enterprises cheaply. This is good news for investment banks and consulting firms, which make their money by arranging mergers of enterprises. These mergers generally do not take place with the approval of the side being bought out. When we open our capital market even a little, people living off this type of operation will astound us with their ingenuity. Let us add that this type of operation will seldom be beneficial to Polish industry.

Employment Practices: Labor Code Responsibilities

91EP0451A Warsaw PR4 WO I INTERESY in Polish
No 4, Apr 91 pp 1, VII

[Article by Monika Mrozowska: "How To Hire (Fire) a Worker"]

[Text] In essence, the matter is simple: both sides must enter an agreement which is nothing other than a declaration that one side hires and the other side takes on the responsibility of doing the work. From this it should follow that this is an agreement about employment (and not an agreement about orders or about the work). Only the person having been hired on the basis of an agreement of employment is an "employee" or "worker" in the sense of the labor code. The agreement, called a "contract of employment," should therefore be in

writing, however, if the contract was not signed before the worker started to work, the plant must confirm in writing without delay the nature of the agreement and its conditions. The contract must clearly define the nature of the work, the time of beginning, and the compensation.

Contracts for a Specified Time

It is in the interest of both parties that the kind of agreement they are reaching be clearly defined: for an indefinite period, a definite period, or for a time to do the specified work.

Contracts for an unspecified period are most deeply rooted in our customs, but contracts for a specified period are becoming ever more popular and the law does not set any limits; practically speaking, a worker may be hired on the basis of contracts that are renewed annually, for example. Such contracts, although they give the worker less sense of stability, have one inescapable advantage: they are easily terminated.

A contract for a specified time terminates simply with the passage of the time specified in the contract and no formalities are necessary. Basically, with one exception, these contracts cannot be prematurely terminated. In signing a contract for longer than six months, the parties should be prepared to give two weeks' notice to terminate the contract.

Contracts for an Unspecified Time

The termination of contracts for an unspecified time is more formalized. Obviously, each party has the right to terminate the contract, but only with certain conditions. First, the period of notice of termination is binding. Its length depends on the training period for the work. And this is the essence of the matter: the period of work, on which the length of notice depends, includes work in all previous establishments without regard for the procedure of terminating the employment relationship. With training of less than a year, the notice period is two weeks; after a year, it is one month, and if the worker has been employed for a minimum of 10 years, it is three months. A two-week notice always ends on a Saturday, and one-month and three-month notices, on the last day of the month. Obviously, no employee or employer is obliged to justify issuing a notice (workers therefore have no right to demand a statement of reasons for it when a notice is issued). But the employer is in a somewhat worse situation here since he must face the possibility that the worker will appeal the notice before a labor court. The worker may also do this if regulations on giving notice were violated or if he believes that the notice is groundless (we will come back to this point later).

Termination of an Employment Contract

Amendment to the Labor Code of 1989 (Dz.U. [DZIENNIK USTAW], No. 20) introduced changes that make separation of employer and employee easier.

First: Notice having been given (without regard for which party gave notice), the parties may establish an earlier date of termination of the contract. Such an agreement shall not change the procedure for terminating the contract, i.e., a notice given by a worker remains a notice and is not converted to an agreement between the parties.

Second: If the plant gives notice to the worker with cause (decreases in employment, changes in structure of employment, limitation in work or activity of the plant or elimination of the organizational unit in which the worker was employed) the three-month notice may be shortened to one month (that is, the employer may shorten it). In this case, the worker is entitled to compensation equal to the compensation for the remainder of the notice period.

The Labor Code always uses (with very few exceptions) the designation, "work place," which means that its provisions are applicable to all plants, both private and state, and statements of some employers that the Labor Code is not binding in their case is a misunderstanding.

The parties obviously have the right to formulate contracts according to their needs, but provisions that are less advantageous for workers than the regulations of the Labor Law simply are not valid, and, in their place appropriate provisions of the Labor Law are applied.

Returning to the notice, it should be in writing. One must be very careful with oral declarations since terminating a contract on the basis of an agreement between parties does not require a written form. Therefore if an worker tells his chief that as of tomorrow he will not be working for him, and the chief accepts this, there is no problem since the parties terminated the contract by agreement. Agreement of the parties, as the term itself indicates, is a voluntary agreement by both parties. This is a form of terminating contracts that is convenient from many aspects, but the plant does not have any obligation to agree to such a proposal by the worker and if it refuses, the worker has no other recourse except to give notice.

Cancellations issued by an employer should include information on legal recourse available to the worker. Lack of such information, however, does not affect the possibility of cancellation, but simply results in waiving the seven-day limit the worker has to appeal to a court.

The Labor Code requires that the notice of termination of a work contract be well founded, i.e., generally speaking, that it be based on objective evaluation of the suitability of the worker for the job. A very comprehensive explanation of this regulation is contained in the decision of the entire membership of the Chamber of

Labor and Social Insurance of the Supreme Court, 27 June 1985, published in MONITOR POLSKI, No. 24 1985. All employers and workers should familiarize themselves with this decision.

Worker Insurance With the Social Security Agency

After the contract is signed, the next obligation of the employer is insuring the worker with the Social Security Agency [ZUS]. Within 10 days of employing its first worker, an employer is obliged to register with ZUS. All workers are entitled to social security (regardless of length of employment, colloquially speaking, regardless of the time worked), the duty to insure a worker is binding on the day the work contract becomes valid.

Deposits for social security are the same for all workers (retirees and pensioners included), and this is 43 percent of the base assessment. The base is "income in ready cash or kind due for work done within the framework of work conditions," or what the worker receives for his work. The base assessment obviously has no upper limit so the employer could pay quite a lot, the lower limit, on the other hand, is the minimum wage set for the country. This is established every quarter by the minister of labor and social policy, and in the first quarter of this year it was 551,000 zlotys.

The regulations list 23 payments that are not included in the base assessment of deposits to social security. The complete list can be found in the order of the Council of Ministers of 29 January 1990 (Dz.U., No. 7 with subsequent amendments), here we mentioned only payments about which questions are most frequently asked. For example, the base assessment does not include anniversary awards, equivalent pay for foregoing vacations and days off, payments due in conjunction with retiring or being pensioned. To the deposit of 43 percent is added another two percent for each worker as an obligatory deposit to the Labor Fund.

So-Called Group Dismissal

It was stated above that in the notice the employer has no obligation to state reasons for giving notice. One practical method by which a worker might learn of the reason for the notice is to ask for an opinion. In this document, the employer must state a reason for the notice. Now this is especially important for the workers because of the monetary compensation set by the law of December 1989 (Dz.U., No. 4 with subsequent amendments). The law has a long title: "On the Specific Bases for Dismissing Workers for Reasons Pertaining to the Work Place and on Changes in Certain Laws"; a misleading abbreviation of this title, the law on group dismissals, has become attached to it. It suggests that only dismissal of a "group" gives workers the right to evidence provided for in the law. This is a misunderstanding. Only the reason for dismissing a worker is significant. The reasons are enumerated in Art. 1 of the law: "decrease in work due to economic reasons, dismissal due to organizational, production or technological changes (also when

changes have as their goal improvement in working conditions or environmental conditions."

If even one worker was dismissed due for any of the reasons mentioned above, he has the right to monetary compensation, the amount of which depends on length of employment. A period shorter than 10 years requires a one-month compensation; 10-20 years, two-month compensation; more than 20 years, three-month compensation. The basis is the entire work career, not the period in the last place of employment.

Compensation for dismissal is not paid to workers who are entitled to a one-time payment in conjunction with being retired or pensioned, and regulations of the law are also applied to work places if they fail or are liquidated.

Another payment due dismissed workers is the compensating supplement. Persons are entitled to this who have taken work in another plant which pays less than that received from the plant that dismissed them. This supplement is paid by the new employer no later than six months after the dismissal.

The law of 1989, like the Labor Code, speaks of the "work place" and therefore pertains to all enterprises regardless of their size or type.

As of 1 August 1990, dismissed workers have no right to this compensating supplement if they accepted an offer of work in a plant that was taking over in whole or in part the property of their former employer, or work in a plant that came into being as a result of such a takeover; the same is true of dismissed workers who begin independent activity or activity within a partnership or a co-operative that receives components of moveable property or real estate of the former employer.

These changes were introduced by the law dated 13 July 1990 on the privatization of state enterprises, DZIENNIK USTAW No. 81.

Vacations

The most controversy in worker-manager relations is caused by vacations. The reason for misunderstandings is the confusion of two concepts, the right to a vacation and the right to length of vacation. We must begin with the fact that regulations guarantee workers the right to an annual paid vacation counted in work days. Included in the vacation are additional work-free days or so-called free Saturdays except for free days that fall on the first and last day of the vacation.

Now as to the right to length of vacation and the right to vacation. The first, speaking most simply, is a right to a certain number of days of vacation which depends on training period for the work. Basically, once a right to a vacation of a certain length is acquired, it is never lost. There are two exceptions:

First, as to the training period for work on which the length or duration of vacation depends, work at a plant in which the agreement was terminated because the worker left is not included.

Second, the worker who was dismissed without notice because of his own fault acquires the right to a vacation after working a year, but this at a level one step lower. For example, a person who already had a right to 26 days vacation would get 20 days.

This decrease in vacation time is applied only in one calendar year. In only those two cases is the right to an already earned vacation lost. Basically, as years of work accumulate, a worker gains the right to longer vacation time and neither interruptions in employment nor method of terminating a labor contract affect this.

After a year of work, vacation time is 14 days; after three years, 17 days; after six years, 20 days; and after 10 years, 26 days (working days).

The matter is somewhat more complicated when it comes to the right to a vacation and using vacation time in a given year. The right to the first vacation is acquired after working for a year, and the right to the next and subsequent vacations, in each succeeding calendar year, or 1 January, and employment on which the right to a vacation depends includes employment in a former plant.

Here the Labor Code anticipates two exceptions also. First, when a worker terminates a contract. Second, when interruption in employment is greater than three months. In both these situations, one year of work is required for a vacation. It is important to remember, however, that the worker should use vacation time from the plant he is leaving, and if he cannot take a vacation, the plant must give him equivalent compensation. In this situation, he is obviously not entitled to a vacation for a given year in the new plant.

What May Be Deducted From Compensation

A worker cannot renounce his right to a vacation just as he cannot renounce the right to compensation. Sometimes plants deal quite freely with compensating workers and deprive him in various ways of his due.

The following may be deducted from compensation: sums exacted on the basis of executive orders to meet cafeteria costs, sums exacted on the basis of executive orders to cover other charges—money advanced to the worker; fines (at the moment this pertains only to socialized plants).

All that has been said here about regulations in the labor law pertains to both Polish plants and to plants owned by foreigners or foreign partnerships. The general standard in this case is Art. 6 of the Labor Code which states that the labor relationship between a Polish citizen and an agency, mission, or other entity of a foreign state or international institution acting in Poland is subject to the regulations of the Labor Code.

30 Members in Dollar Millionaires Club

4U2005113991 Warsaw *RZECZPOSPOLITA* (ECONOMY AND LAW supplement) in Polish 13 May 91 p 1

[Article by E.Z.: "Polish Millionaires Club"]

[Text] Money and success are the key to membership in the most exclusive club of capitalist rising stars. The condition for membership is an annual trade of \$1 million. There are so many applicants to join this club that its organizers have felt it necessary to increase the enrollment fee from \$5,000 to \$10,000. The monthly dues are \$300.

"We are an oasis of prosperity in a society still struggling with the difficulties of changing over from communism to capitalism," says Club Chairman Januarusz Goscinski, owner of one textile company and co-owner of nine others. Goscinski occupies 14th place in a recent list of the 100 richest Poles published by a magazine.

Right now the club has 30 members, but another 50 are on the waiting list. The club's headquarters are in a 15th century palace, where an exclusive restaurant is due to be opened shortly.

Most of the members commenced their business activity long before the collapse of the former economic system. Many started off with small-scale business dealings, selling at a profit goods they had bought abroad. Others grew rich from foreign currency trade, the initial stage of which was illegal. Says Goscinski, "It is better not to know how most of us made our first million."

Club members claim they are still surrounded by envy and suspicion in the new economic climate. This is because wealth and privileges used to be exclusive to the party elite while the rest of society suffered a constantly declining standard of living.

The club's declared aim is to support government efforts at economic reform, which does not mean it does not criticize some of the government's moves. Members of the government are invited to club meetings, where specific accusations are addressed to them and remedies suggested. This applies especially to fiscal policy and the combating of inflation.

Even though there is no rule against it, no member of the former administration wants to join the club. There are old prejudices between the former political elite and the present financial one.

Strike Over Pay in Starachowice Plant

LD2105200491 Warsaw Radio Warszawa Network in Polish 1400 GMT 21 May 91

[Report by Ewa Okonska]

[Text] The work force of the Starachowice Star [truck] plant is on strike. Ewa Okonska is speaking

[Okonska] As of yesterday, a rotating sit-in strike has been going on in the management building. Representatives of the 10,500-strong work force today spoke to the company's management, but without any results. The proposed pay rise of 270,000 zlotys is, according to Solidarity trade unionists, too low. In the Ministry of Labor and Social Policy talks will start at 1730 this coming Thursday with representatives of the strikers on other demands. It is a question, above all, of help for the works. Representatives of the Ministries of Finance, Ownership Transformations, Industry, and also the Ministry of Communications will also take part in the talks.

YUGOSLAVIA**New Government Plan for Privatization****Criticism of Plan**

91B406894 Ljubljana *MLADINA* in Slovene 16 May 91 pp 14-15

[Article by Matija Grah: "New Economic Insanity"]

[Text] The general idea because of which Mencinger's privatization model was rejected has finally reappeared on the scene.

Last week, a document with the summary title "Privatization" reached Demos's leadership from the halls of the government. In a mere five typed pages, it provides the fundamental outlines of a new concept of privatization. The document is given significance by the place from which it comes, since it indicates the manner of thinking in, let us say, government circles, but at the same time indirectly answers the question that was asked last week in parliament in vain, since the deputies did not receive any specific answer: "What is the government's new privatization concept like?"

The document verges on mere imitation: it is basically Sachs's privatization model, which is based on the immediate and forced transformation of large enterprises into capital ones, more precisely stock companies. This is talked about in the "fourth," i.e., "main tier of privatization." Sachs intended such a transformation (which is not privatization) for the 200 largest Slovene enterprises, but the document imposes it upon enterprises that have more than 500 employees. There are 313 such enterprises in Slovenia. In addition to the above-mentioned "fourth tier" of privatization, the other privatization models are now also mentioned for the first time. According to the "first tier," which is reserved for medium-sized enterprises, the enterprises are to be privatized according to Mencinger's already existing law, which has already been fundamentally modified, since the shares that are transferred to the funds are no longer preferred shares but rather common ones (the funds are consequently given all management rights), and likewise the employees no longer have a prepurchase right to the unbought portion of social capital. The latter calls into question the very purpose of this privatization model (which is cited by the document).

namely, "so that in this way the most dynamic sector of the economy would be directly managed and owned by those who know it best—the current directors and workers." What is meant by the "second tier" of privatization, which is reserved for small enterprises and which would be "reorganized as cooperatives" is a complete unknown. It is not clear whether these are cooperatives of the Krekov type, in which the right to participation in ownership and profits is conditional upon active work in the cooperative (and ends with it), or perhaps worker shareholding, which is being introduced in the United States, or perhaps something completely different. The "third tier" refers to all other small enterprises, which are supposedly to be "sold or leased to individuals or groups by opština administrations." Above all, it is not clear what the opština administrations would do regarding leases (and sales). Specifically, if they are to lease enterprises to anyone at all, the enterprises should at least be owned by them first. That, in turn, would mean that the privatization program implicitly assumes the nationalization of small enterprises by opštinas. The document does not mention this, however. The "fifth tier," just like the above-mentioned fourth one is once again not privatization, but rather the financial rehabilitation of enterprises. The "sixth tier" provides for joint investments with internationally known firms, with regard to which it remains completely unclear why that type of privatization should be reserved only for the leading enterprises. It is likewise not clear why the leading enterprises (which should nevertheless be healthy and well-off economically) would need joint investments for survival. The "seventh tier" of privatization, which applies to natural monopolies, again does not provide for privatization, but rather their nationalization and transformation into capital companies.

The document, in short, is full of contradictions and inconsistencies, and is even so confusing that in spite of the many "introductory thoughts," the internal logic of the articulation of the "seven tiers" of privatization is not even apparent. Perhaps that absence of internal logic is internally caused. In fact, it is obvious from the document that enterprises will be classified into individual types (among large, medium-sized, small, etc.) on the basis of administrative logic, by which the type of privatization will also be imposed on them. The privatization foreseen by the document is a strictly centralized one, and the dominant role in the privatization process is reserved for the state and parastatal institutions established by it, i.e., the state development fund, pension fund, or the investment (mutual) funds.

The only thing in which the privatization model described is "quick" is the immediate formation of boards of directors appointed from outside, through which an institutional framework will be established for the removal of "Red directors." This is not privatization, but rather the formation of a corporate management structure. Its rapidity is consequently merely apparent, and in the final analysis it cannot be otherwise. Privatization, of course, is a process that simply cannot be carried out overnight, because of its complexity, the

multitude of work that has to be done, and the simultaneous establishment of several other institutions that have to accompany the change in the ownership of enterprises. Thus, in the rapid privatization model described, the process of the true transformation of ownership is postponed for an indefinite future, and above all is not worked out at all. Furthermore, instead of a real transformation of ownership, which could still have been started in at least a few enterprises if Mencinger's law had been passed, a new intermediate step is introduced into the privatization process, which merely puts off real privatization, and thereby prolongs it; one can also demonstrate through several arguments that in many respects it can also make it more difficult.

The fact that the above-mentioned document from the Demos coalition party is being taken quite seriously, and people are committing themselves with respect to it and adopting positions on it, makes one think. If it were also at the same time supposed to be evidence of a new government economic policy, then—at least in our opinion—this would border on a real scandal. The document is not formally signed, it does not bear the signature of an institution or authors, and it is also not dated. Well-informed circles, however, claim the following: the document appeared at a meeting of the government (or Demos, according to another version) a week ago, where it was brought by its president, Lojze Peterle. The document was not discussed at the meeting, but supposedly the president just read it ex cathedra, after which it was supposedly agreed that it would be discussed by the parties in the Demos coalition. (It is a fact that the Demos parties are discussing it.) Dr. Jože Mencinger, who is now already the former vice president of the government, is supposed to have stated after the end of the presentation that "in the first phase it is a return to the year 1947, but in the second one a jump to the year 4000." A minister with a literary education is supposed to have retorted, "all the members of the government, in any case, have not read Tavcar." There are two versions concerning the authorship. According to the first one, it is supposed to be merely a bad translation of an item produced by Sach's group. According to the second one, it is also apparent from the document that a creative contribution has been made by several new advisers, with whom the prime minister has been meeting recently. The unusual terms that make the text incomprehensible in places, the poor knowledge of Slovene economic terminology, and the unfamiliarity with the specific characteristics of the Slovene economic situation permit conclusions that argue in favor of either of the two above-mentioned possibilities.

Privatization Document

91B 10689B Ljubljana MLADINA in Slovene
16 May 91 pp 14-15

[Text] of confidential document "Privatization"]

[Text] This document escaped from Demos's bottle

Introductory Thoughts

- a) Privatization has to be rapid, clear, and understandable to the broadest circle of the population, and has to contain specific deadlines for implementation
- b) It is necessary to decentralize the economic structure of enterprises, so that we can prevent their politicization
- c) It is necessary to distribute a considerable portion of shares in enterprises to the entire adult population, in order to have an equitable division in that way of what was called social property
- d) Because this involves privatization of very diverse enterprises, it is necessary to take into account several possible methods
- e) Privatization is a necessary condition for new enterprises to be able to undertake measures for increasing their capital and for continued growth.

1. Privatization Has To Be Rapid

The economic advantage of rapid privatization is that it shifts responsibility for enterprises from managers or workers' councils to independent boards of directors. The first task of those boards will be to have all property of the enterprise used exclusively for purposes of production and to prevent misuse by managers and other employees. The second task will be to bring the salaries of directors and workers into accordance with the enterprise's competitiveness and success. Furthermore, a decisive step in the area of privatization is necessary in order to create enthusiasm among people at home, and confidence abroad, in the changes that have been started. Rapid privatization is essential for the success of macroeconomic stabilization, because without it the government will remain responsible for setting the level of income in all economic sectors and will have to endure various pressures, which will have an impact on the budget deficit.

2. Improving the Management of Enterprises

An essential part of privatization is improving the management of enterprises as soon as possible. The government cannot appoint a large number of directors at hundreds of enterprises, and therefore the supervision of social capital has to be decentralized as soon as possible.

Because in Slovenia there are still no financial institutions, which in the Western world provide enterprises with some of their directors, the privatization program will have to provide for several such institutions (for example a state development fund, mutual funds and existing and future commercial banks, will represent various interests, which will be reflected in boards of directors at the larger enterprises).

3. The Distribution of Shares

One of the consequences of rapid privatization is that a considerable portion of the shares must be distributed

among the population and financial institutions. Because in the present situation it is not possible to determine the objective value of enterprises and to determine the value of shares in a short time, the only equitable method is to distribute the larger portions of these shares among the population and financial institutions for free or at a symbolic price. It is necessary to take into account the fact that today there is no real stock exchange in the Slovene economy, and that because of the long inflation process and other unrealistic macroeconomic factors, the enterprises' bookkeeping does not reflect the real situation.

It is also necessary to take into account the fact that the economy in Slovenia is in a transitional period. We can avoid these difficulties with the following simple solution(s)

- a) The population should not receive shares from the enterprises in which they work, since in some cases those will be worthless, and also because there are many households that are not associated with income from industry (education, administration, health care, culture, etc.)
- b) Disputes would likewise arise among citizens concerning the value of shares, because of the above-mentioned difficulties in assessment. The solution is to have everyone receive a small portion of all the larger enterprises, and certainly with the mutual funds as intermediaries

4. Privatization Should Be Heterogeneous

All enterprises are not suitable for transformation into shareholding companies with a dispersed ownership of shares. We have to distinguish enterprises by size, sector, technological requirements, and profitability. For this reason the program provides for a multietier approach which means several alternatives both for the future owners and for the privatization agency.

The first tier would be reserved, just as in the present draft law, for medium-sized enterprises, where the present managers and workers would have precedence in buying shares; outside parties would buy shares after them. In that way, most of the most dynamic sector of the economy would be directly managed and owned by those who know it best—the present directors and workers.

The second tier would be reserved for small enterprises which could be reorganized as cooperatives.

The third tier would include all other small enterprises which could be sold or leased to individuals or groups by opština administrations.

The fourth tier would be for large enterprises cited by name in the law (e.g., with more than 500 employees) which are suitable for conversion into stock enterprises, shares of which would be widely distributed to workers and mutual funds. This would be the main tier of privatization.

The fifth tier would be reserved for large enterprises with losses. Many potentially successful enterprises are encumbered with large debts and low capital, which causes financial liquidity problems. Particularly after a period of high inflation, many enterprises, as has been stated, have accumulated high debts, although they certainly remain good enterprises. In order to prevent the unnecessary closing of such enterprises, it will be necessary to provide for financial restructuring under exceptional legislative conditions prior to privatization itself.

The sixth tier would be reserved for leading enterprises, where it would be necessary for the sake of survival to establish joint ventures with some internationally known firm. Perhaps there are several such key enterprises, each of which could be privatized individually, either through public auction or commercial sale.

The seventh tier would be for enterprises that are "natural monopolies," such as, for instance, infrastructural services or railroads, where competition is too weak to ensure market behavior. Those enterprises would remain at least temporarily state-owned stock companies. Further analysis will be needed for a final decision on them.

5. Privatization Has To Be Carried Out Before Other Economic Reforms

The process of privatization is not aimed at gathering money during the first stage in order to capitalize enterprises. That does not present obstacles, however. When enterprises are privatized and the new rules of the game become known, the new owners and their managers will be capable of preparing their own plans for capitalization. Because a considerable portion of the shares will be distributed among the population for free, the reserves possessed by individual households will remain untouched, and it will be possible to use them for purchasing the new shares which will be issued by enterprises to increase their capital. That will be a new way for households to save, and a natural way for enterprises to gather capital.

The above privatization program has to be the main element in a broader package of economic measures, by which we wish to stabilize the Slovene economy.

[Editor's note] Important comment: We did not proofread or correct the text; it is as its mother Demos provided it. That is why you should not be surprised if you noticed that the word "manager" is written in three different ways ("maneger," "meneger," and "menedzer"), but not correctly.

BULGARIA**Conditions Ripe for Organized Crime**

91B:40539A Sofia DUMA in Bulgarian 5 Apr 91 p 4

[Interview with Colonel Tsvetko Marinov, specialist in the secret services of the Ministry of Internal Affairs, by Zoya Nestorova; place and date not given: "Organized Crime in Our Country Is Ready To Start"]

[Text] Laboratories for the processing of drugs are being sought and perhaps are even already built; conditions are being created for Bulgarian and foreign organizations to "launder" dirty money. The economic and moral health of the nation is threatened. However, there is no turning back. If the claim of the specialists is accurate—that not one of the rules governing a free society, toward which we aspire, would bypass us—the question arises: Does this apply to organized crime, as well? Again, according to the specialists, all the necessary conditions for it exist in our country, and, furthermore, its best players are ready to begin. If such is the case, the answers are given by Colonel Tsvetko Marinov, specialist in the secret services of the Ministry of Internal Affairs [MVR].

[Nestorova] Rape, murder, robbery, theft, prostitution, and questionable merchants—is this what constitutes crime in our country?

[Marinov] This applies to ordinary crime, the purpose of which is mainly the temporary satisfaction of the needs of the criminal. This could involve money, objects, or a variety of pleasures. Since the beginning of the year, statistical reports have noted a sharp increase in their number, as compared to the same period last year.

[Nestorova] In addition to a quantitative leap, have there been changes in the methods of action? Has the time come to admit that there is organized crime in our country?

[Marinov] Yes. Methods are changing. The criminals have become more daring, more brutal, and more cruel, and are borrowing more frequently from the arsenal of global experience. Group crime and international crime are increasing. As for the rest, let us try to determine what organized crime means.

Briefly, it is defined as an association of criminals, based on the corporate principle, with a stable hierarchical internal organizational structure that, using corrupt members of state organs and economic organizations, establishes through violent methods control in various areas of illegal activities with a view to showing huge profits.

[Nestorova] Which is the dominant of the characteristics you listed?

[Marinov] Its scale. Control that organized crime establishes over various areas of illegal activities is not simply for the sake of money but for a great deal of money, for huge amounts of money. Its main field of action is the

drug trade because that is the origin of most of the illegal money. Smuggling weapons and goods subject to embargoes, illegal operations involving industrial secrets, financial transactions, and so on also bring in a great deal of money. The fear is that, in the future, by trading in embargoed goods—chemical, bacteriological, nuclear—such items could fall into the hands of terrorists or governments that could not acquire them in any other way. Not the least is trade in art objects, real estate, gambling, and prostitution.

According to the studies done by international police groups and services, in recent years a worrisome aspect in the development of organized crime has been its growing infiltration of legitimate businesses on national and multinational levels. In my view, the most dangerous thing is the attempts by organized crime to interfere with the authorities and to place its own people within the power structures.

[Nestorova] What is the "third level" of criminality?

[Marinov] This refers to corrupt state officials and politicians. Organized crime always ensures the involvement of such people for its own benefit. These are the people who provide the least information, and almost never are the police authorities able to reach that final stage, with some individual exceptions.

[Nestorova] All of this is for the sake of money. Where does this money go?

[Marinov] It goes into the legitimate economy and settles there permanently and is used for the support of the organization and the reproduction of criminal activities. I think this is one of the reasons for which the struggle against it is very difficult because, paradoxical though it might seem, in some respects, organized crime stimulates the development of some part of the economy of a country. The philosophy of people who believe that money has no odor allows them to shut their eyes to the influx of capital, as long as it is received legally such as via a bank. Whether they are aware of it or not, they consider this money clean—that is, it has been "laundered."

[Nestorova] What is the secret of its invincibility?

[Marinov] It lies in the nature and the faults of social systems, power, and man—and their faults are many. It is no accident that the famous leap achieved by organized crime began in 1929, with prohibition in America.

[Nestorova] Is the "lion" in our country ready to jump?

[Marinov] The conditions exist. First, on the basis of the remnants of the former system. This is the corrupt leadership of the past, with a wide network of ties characteristic of countries with unstable economic bases and strong "second economies," and hundreds of "socialist drones." A number of former leaders on various levels and areas of social life, having successfully built their "private socialism," plunged headlong into the initial accumulation of capital, facilitated by the

chaotic economic conditions in the country. Also exposed to such dangers are individuals currently entering the corridors of power—dipping their fingers into the honey of power and not assuming responsibility which is much higher in a democratic, law-governed society.

Today there exists in the country a legal nihilism, total disregard of the laws. In the essentially dismantled state prerequisites are created for the penetration of foreign organized crime and its unification with the domestic structures. Individuals have already accumulated substantial funds as a result of speculations, black market, smuggling, and semilegal trade. It is most likely that they will invest such funds through the forthcoming privatization. However, even if after that they continue to increase their funds illegally, we shall already have an alliance between legitimate business and organized crime. The vacuum created by the new economic conditions makes it possible for Bulgarian and foreign organizations to launder their money here. Such a vacuum always appears during transitional periods, and criminals are the ones who fill it the fastest and the most firmly. This is a law. Another prerequisite is the location of Bulgaria in terms of communications between East and West, North and South.

This will be greatly helped by the impoverishment and lumpenization of large groups of people. These are processes that shall not bypass us. There will also be quite a number of intelligent people, such as lawyers, economists, chemists, and biologists, some of whom could become victims of "white-collar" crime.

My personal opinion is that, because such conditions exist, organized crime in our country is ready to begin operations.

[Nestorova] In your view, how will this start of Bulgarian organized crime appear, in the light of global experience?

[Marinov] Not a single one of the stages in its development will be skipped—accumulation, money laundering and investing such money in business, the creation of an organization with very strict internal laws concerning discipline, and so on. The initial manifestations of the "rackets" are already apparent—taking money from the owners of establishments and stores, although for the time being this is being done by amateurs.

[Nestorova] Being certain that we cannot get rid of it, are we prepared for an effective struggle against its initial manifestations?

[Marinov] Insufficiently so. This applies to the social frame of mind, the legal base, and the state structures, including the police organization. International recommendations currently are concentrated on passing strong laws against the actions of organized crime.

To me, organized crime is a particularly dangerous political, social, and criminal phenomenon, and the struggle against it must be waged by all of society. Society

must realize the danger it constitutes for the political, economic, and moral health of the nation. The politicizing of the information media distracts people from many problems of our society. Citizens do not acquire an idea of the reality they will be facing tomorrow from chronicles on robberies, murders, and so on.

[Nestorova] Your statement that society must fight organized crime sounds to me definitive and theoretical. Where is the place of the professional policeman here?

[Marinov] Because crime is an organization, there must also be a proper responding organization—that is, a specialized unit. A decision to create it already exists.

[Nestorova] This hardly seems sufficient. Do you have money?

[Marinov] Throughout the world, serious police activities develop essentially with the help of money and with skilled professionals, which means modern equipment and modern training, fast transportation, good pay for the police so that the policeman can be secure, socially stable, and unbribable. Otherwise, no results would be achieved from the existence of such a unit. In my view, the struggle against organized crime means, above all, a struggle of "brains," a struggle waged by a police nucleus against the nucleus of the criminal syndicate and its upper echelons. Initially, it is research work that should be leading, the concentration of data and their analysis and evaluation; and the planning of actions aimed at penetrating the "tight places" of organized crime, which are money laundering, the investment of money in legitimate business, international ties, and internal structures.

[Nestorova] What if the opposite were to happen, for one of your officials to move over to the side of the criminals?

[Marinov] That is not out of the question. It is obvious that the struggle against organized crime cannot be waged by only the specialized unit. All services in the ministry will touch upon, to say the least, the broad periphery of such crime. Thus, for example, in the United States, it is the task of every policeman to fight drugs. We must also bear in mind that the criminal syndicates have their own intelligence and counterintelligence, their "hired killers," and their harsh rules. They also have the money to buy policemen. However, this possibility can be reduced to a minimum if there is a clear legal base that governs the working of the people and that is respected.

For all too long, the personnel were blamed for most of what happened in the past, although both then and now most of the decisions were made outside the Ministry of Internal Affairs. The uncertainty "kills" the personnel of the secret services. They fail to show initiative, and their work becomes inefficient. Most of them are just waiting to be told: "These are the laws, these are your functions and tasks, this is what is left, we trust you, work, we want results."

[Nestorova] Therefore, the question is: Who would win the race? Nonetheless, to whose benefit is time working?

[Marinov] Until the state and the MVR organs have become stabilized, the advantage shall remain on the side of crime.

'Open Society Foundation' Promotes Change

91B405494 Sofia IKONOMIKA in Bulgarian Mar 91 pp 50-52

[Article by Silviya Bogdanova, including interview with Georgi Prokhaski, executive director of the Open Society-Sofia Foundation; place and date of interview not given: "With an 'Open Society' Across Worlds Until Recently Closed"]

[Text] Europe is opening its borders. Integration processes that would have been impossible a few years ago are gathering speed. Particularly interesting changes are taking place in the countries that belonged to the former socialist system and that have clearly decided to break (some more successfully than others) with the almost feudal reticence of their misunderstood "internationalism."

"I believe in the idea of an open society and in the fact that it does not recognize borders." This statement by Mr. George Soros, an American financier of Hungarian origin, illustrates with utmost accuracy the process of the acceptance by mankind of the principles of full contacts. The implementation of this idea is the purpose of the private foundation set up by Mr. Soros, known as "Open Society" and headquartered in New York, whose objective is to support through its programs the development of the East European countries and their information and cultural opening to the West.

At the beginning of 1990, at Mr. Soros's suggestion, Bulgaria became the sixth East European country to set up an Open Society foundation in an effort to bring the philanthropic aspirations of the Bulgarian people closer to the traditions of known Western private foundations. This initiative is a manifestation of the desire of our society to proclaim more categorically to the world that it exists, through the changes that are taking place in the country and the ideas of its most gifted representatives.

Similar to related institutions in other countries, the Open Society Foundation-Sofia will pursue via its programs the idea of an opening of Bulgaria to the West and its involvement with the achievements of global humanitarian education and culture. It will open new channels for contacts and an exchange of information and will fund "training, research, publication, information, and other initiatives in the field of the social and humanitarian sciences and activities both abroad and in Bulgaria."

The foundation is implementing its objectives within the framework of 15 functional and theme programs, which include long-term scholarships for the training of Bulgarian students abroad, short-term specialization and

participation of Bulgarian scientists in seminars, symposiums and conferences outside the country, and support of individual and joint research projects. The thus-provided opportunities are indeed interesting. Mr. Soros's foundation, in cooperation with other foreign organizations, is sponsoring, for example, the granting of postgraduate training scholarships in leading universities in Manchester, York, and Oxford to young graduate students from Eastern Europe. That is why its office in Sofia is always a noisy and lively place. Notifications of competitions, the number of available openings, and requirements concerning the candidates are published in the periodical press. Many of the potential scholarship students, however, prefer to obtain their information "firsthand." Naturally, there is no lack of irrational suggestions. On the whole, however, the young people come here with hope and usually have something to offer. It is the unanimous opinion of the foundation personnel that Bulgarian students abroad are among the best. The reason is not all that hard to find. It is simply that the educational system and incentives are different, and they feel obliged to present themselves and their possibilities in the best possible light.

Nevertheless, let us address ourselves to specific facts. The functional programs of the foundation assist in providing scholarships for long-term (from three to 10 months) and short-term (from two weeks to three months) specialization studies and partial financing of the participation of young Bulgarian scientists in international conferences and seminars. In the course of its relatively short life, together with the Saints Cyril and Methodius International Foundation, Open Society-Sofia has provided financial support for the training of more than 40 students, 10 graduate students, and about 10 persons specializing in universities in the United States, France, and Germany, as well as two or three very promising musicians. Two young specialists who had been invited by foreign institutes to attend their skill-upgrading courses and seminars were sent for short-term specialization to Great Britain and the Netherlands. Assistance was provided for the participation of 14 Bulgarians attending seminars at the Interuniversity Center in Dubrovnik, and conferences in Great Britain and the United States. With the active assistance of the foundation, Bulgarians have attended international conferences on problems of economics—in Warsaw last November (three persons)—and problems of agriculture in East European countries—in Budapest (five participants); a symposium on "West-East Economic Ethics" in Vienna in December (five young scientists from the Kl. Ohridski University in Sofia); and others.

Within the framework of the "Economic Education and Science" program, the foundation was one of the sponsors of the international conference on "Privatization and Economic Reform in Bulgaria" that took place in Sofia last October. With its help, a group of Bulgarian members of parliament and students were sent to

observe elections for local government in South Carolina (United States) in relation to the "State Administration and a Civil Society" program. An international colloquium on "Democratic Changes and Stability in Eastern Europe" was held at the end of last year in Sofia, with the participation of world-famous political experts and politicians.

The program for upgrading the skills of journalists includes paying for courses and practical training of reliable young Bulgarian professionals at foreign universities and newspapers and at radio and television stations. So far, scholarships have been granted for one long-term and one short-term specialization in the United States.

The foundation also assists in the purchasing of books and equipment, with a view to upgrading the standards of library services in our country. Within the "Libraries and Specialized Publications" program, funds have been granted to the university library in Sofia and to the National Library in Varna. However, requests for such aid are much more numerous.

The objective of the foundation's information-publishing program is to assist in the publication of periodicals of a noncommercial nature, which would find it difficult to survive under the conditions of the sharp competition in the publishing market. Included in its range of interests are the periodicals IZBOR, GLAS, IZTOK-IZTOK, KRITIKA I KHUMANIZM, PERO, and IKONOMIKA; the student publication VUZ-MOZHNOST; and the newspapers GEOPOLITIKA, REPORTER 7, and ORBITA.

Numerous contacts are being established on the basis of the Central European program, the purpose of which is to encourage cultural contacts between Bulgaria and the countries in Central Europe as a foundation for future joint activities. This open program calls for supporting individual and group projects that are not part of the topic programs but that share the objectives of the foundation. Within its framework, Open Society participates in setting up the Opportunity for Bulgarians Foundation.

This is not the sum of its accomplishments. Because a longer enumeration might become boring, however, let me end this by again quoting Mr. Soros: "Bulgaria is facing tremendous problems. The foundation will have a number of tasks and insufficient funds to resolve them. I am confident that the people who are working for the foundation in Sofia will be able to meet this challenge."

Interest in the work of the Open Society-Sofia Foundation is increasing proportionally to its implemented initiatives in various areas of culture and education at home and abroad. That is why I addressed several questions on projects, specific activities, problems, and contacts of the organization to its executive director, Mr. Georgi Prokhaski.

[Bogdanova] Mr. Prokhaski, could you tell us briefly how the idea of setting up the Open Society-Sofia Foundation originated and what its objectives are?

[Prokhaski] The idea of creating the foundation arose as a result of the interest Mr. George Soros showed in Bulgaria. He has already established similar organizations in other East European countries—in the Soviet Union, Poland, Czechoslovakia, Hungary, and Romania. At the start of 1990, he suggested the organization of such a foundation in Bulgaria, as well, which would meet the general principles of the foundations in the other countries but would be guided also by the specific needs of our country at this time. Its main ideas and objectives are related to providing alternate opportunities for financing projects of researchers and specialists in the social and humanitarian sciences, upgrading their training, assisting higher educational establishments and libraries, providing specialized publications, and so on. All of this can be seen in the programs approved by the foundation. Furthermore, we are assisting in the granting of scholarships to Bulgarian specialists abroad and financing visits by foreign specialists to Bulgaria.

[Bogdanova] In this connection, however, a rather delicate question arises. Could your activities contribute to an even more active "brain drain" from our country?

[Prokhaski] Such a danger indeed exists, and we are trying to prevent it. Of late, the foundation has adopted two new programs, one of which is that of a "New Bulgarian University." It will stimulate contemporary initiatives in the area of higher education and, above all, the activities of society to open a new Bulgarian university. The objective is to create a modern higher educational institution, based on new principles, which would apply the best world practical experience in this area. Also contemplated is the establishment of an American university in Bulgaria, which also would be financed by this program. This is one of the foundation's biggest projects so far, in whose organizational preparations it will be directly involved. We shall thus try to limit this recent hotly discussed process of "brain drain" by providing to the young the conditions for development within our cultural environment. That is why we are reducing the number of scholarships granted for study abroad by Bulgarian students, unless funds are granted that provide for a full educational cycle in individual foreign schools. We are concentrating, above all, on subsidizing short-term specialization, in which separation from our environment is of short duration.

The other new program is that of "Linguistic Training." On the one hand, it will finance projects related to the level of teaching foreign languages in our country, and, on the other, it will assist in the study of the Bulgarian language by foreigners. For example, we shall assist in having summer seminars in Bulgarian studies, which are facing financial difficulties at present.

[Bogdanova] The foundation has been in existence for a few months. With increased frequency its name is appearing in the information media and is already well known to those interested. What are the specific dimensions of its activities during this period and, above all, within the framework of the economic program?

[Prokhaski] We could talk a great deal about the individual programs, but let me describe in brief what has been accomplished since the foundation was officially registered at the end of June 1990. So far, we have sent more than 50 students and postgraduate students abroad, mainly to the United States and Western Europe. We have helped a significant number of Bulgarian specialists to take short trips to attend conferences and seminars, courses in journalism, and so forth. We are supporting individual research projects in the social and humanitarian sciences. One of them, for example, is the project headed by Aleksandur Kosev on analyzing the acceptance of Bulgaria and the changes in Eastern Europe by the Western countries.

The economic program is one of the most important of the foundation's activities because we have an exceptionally great need to upgrade the standards of economic education and science in our country. Within its framework, we shall finance individual Bulgarian research projects and sponsor seminars and conferences with international participation. One such was the conference on privatization that took place in Sofia last October, of which we were one of the sponsors. We shall send abroad postgraduate and other students in the field of economics and management. Teachers who would like to upgrade their skills, write new textbooks, or improve their lectures will be given the opportunity to specialize in foreign educational establishments. Teachers from other universities will be invited to teach in our economic higher educational institutions; we shall establish cooperation with some advanced management schools.

It is a basic principle of the foundation not to impose our decisions and ideas. That is precisely why we expect initiatives to come from those who work in the respective areas and need support.

[Bogdanova] What are the principles and the system for assessing the expediency of suggested projects?

[Prokhaski] The foundation works with experts to whom we turn if we have any question concerning the expediency of a suggested project. I can say that so far we have met requests for a large percentage of the projects submitted to us. However, they remain relatively few. Perhaps once their number has increased and a certain conflict develops between them and our financial possibilities, the selection will become stricter and the role of our experts will increase. After their evaluation, the final say is that of the council of directors. The council assesses the extent to which the project contributes to attaining the overall objectives of the foundation, and, on this basis, a decision concerning its help is made. Sometimes, however, demands are excessively high or

are outside the framework of our competence. Quite frequently, for example, budget organizations turn to us when they are in difficulty. However, the foundation cannot replace the functions of the state. We support smaller projects suggested by collectives or individuals. Our objective is to offer a possibility for alternate financing of some ideas rather than take over from the state and its agencies the support of major research, educational, and other projects.

[Bogdanova] How does the foundation secure the necessary funds for its activities?

[Prokhaski] The foundation collects funds from various sources. Above all, it was founded and began operations thanks to the help of its founder, Mr. George Soros, and the American Open Society Foundation. We also rely on donations from other sources, both abroad and in our country. We hope that our programs will be supported by companies, Bulgarian and foreign organizations and foundations, and foreign government programs.

[Bogdanova] Are you referring to the "Tempos" and "Prometheus" European programs for aid in the areas of science and education?

[Prokhaski] Yes. We are following their development, and when funds on the basis of such programs are granted to our country, some of the major projects that have been submitted to the foundation will be oriented toward these programs, as well. The least that I hope we shall soon be able to achieve will be for our future information center to provide adequate data on the conditions for any application for aid within the framework of these programs because one of our objectives is to perform a coordination and information function concerning other financing possibilities provided by foreign institutions, which are simply left unused for the time being, due to the lack of information and experience in submitting applications.

Furthermore, some of the acquired funds will be used to develop auxiliary economic activities of the foundation as a source of additional income for the implementation of our programs and also so that the foundation might acquire a certain economic stability and independence. Such an activity that we are now preparing and will be implementing next year is that of publishing. In the case of some of our publications, we are contemplating initially negative financial results. These will be writings in the areas of law, philosophy, and sociology that cannot be disseminated in sufficiently large editions to bring a profit but that must be published in Bulgarian. Others such as some textbooks that we intend to publish will probably be profitable and could even cover the cost of losing publications and, in the final account, show an overall profit for the foundation. We shall also help some economic publications that are particularly important in upgrading the standards of economic education in the country.

Another auxiliary activity that we would like to develop is the establishment of a linguistic center at the foundation. It would use the professional experience of recognized world centers for the study of foreign languages. Our aspiration is to develop a model for quality teaching of foreign languages in the country, which could perform certain methodical functions. Such courses would be paid for by the organizations that would assign their cadres for training and, I hope, would bring the foundation some income. We shall also be seeking other possibilities to invest funds in some type of economic activities, either directly conducted by us or as participants in the activities of other organizations. In this way, we shall be able to not only keep our funds but also to increase them and use the profits for the implementation of the foundation's programs.

[Bogdanova] So far, we have discussed specific activities and future possibilities. I presume, however, that not everything is developing entirely smoothly in your foundation. Do you have problems, and what are your options for their resolution?

[Prokhaski] Since the beginning of the foundation's activities and to this day, our major problems have had to do with finding work premises. We struggled for several months to obtain a minimal number of needed offices. For the time being, but only on a minimal level, those needs have been met. However, our activities are rapidly expanding, and we need both new offices and premises for the linguistic center. Once a proper building has been secured, we are ready to rapidly procure the necessary equipment, books, video, and audio materials, and to set up the teams and start work. A similar situation prevails with the future information center of the foundation. We would like it to be located conveniently in the capital in order for it to develop as a big cultural center where we would offer information concerning our activities, open a bookstore for training and scientific publications and a video hall, and so forth. All of this, however, also requires finding suitable premises. Many other problems exist, but it is this, in my view, that is the most critical. I hope that we shall meet with understanding because the foundation shall try to use these premises for the benefit of the entire society.

[Bogdanova] The ideas of philanthropic activities will become increasingly popular in Bulgaria, I hope. In the

developed countries, however, there are traditions in this area. Are you working jointly with related philanthropic institutions both at home and abroad?

[Prokhaski] Yes. We are working, for example, with the Saints Cyril and Methodius Foundation, mainly along the line of sending our students to the United States. We are trying to help by partially financing such initiatives, regardless of whether they originate on their side or ours. Basically, tradition and practical experience in all countries call for organizations of this type to be in very close touch with the financing of individual projects. On the one hand, the assessment of a given project and the expertise provided by several organizations and, on this basis, positive view already provide a real guarantee of its quality.

Furthermore, it is possible for several foundations to assume part of the cost of implementation of a project. Recently, Open Society-Sofia became a member of the European Foundations Center, which is gathering information and ideas on foundations' activities and promoting contacts for the implementation of various projects. That is why, in the future, we shall rely in the case of some of our more expensive projects on joint financing with West European foundations such as the Fondation de France, which rallies 3,000 French foundations; a number of foundations in Spain; the Prince Charles Foundation in Great Britain; the Alderling Foundation in the Netherlands; the Friedrich Naumann Foundation in Germany; and others. We shall jointly finance a number of programs in which they show an interest, and they, in turn, shall submit to us respective projects related to such programs.

Let me also mention the American foundations with which we established contacts from the very beginning: the Rockefeller Brothers Fund, American Express, the Marshall Foundation, and others. I see the future of the foundations movement in our country in establishing contacts with philanthropic organizations in other countries, which have considerable means at their disposal. Bulgaria has lost a great deal so far because of its isolation from the global philanthropic community, which could provide major assistance for our various projects, particularly in the areas of science, culture, and education. Obviously, we now need such funds, and significant efforts must be made to catch up.

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